Annual Report 2020

Wentworth District Capital Limited

Community Bank
Wentworth & District

ABN 76 085 989 804

Contents

Chair's Report

For year ending 30 June 2020

It has been a busy and successful year for the Wentworth & District Community Bank, and maybe the most challenging, demanding, and complicated year we have faced. The onset of Covid19 with its impact on our Towns, Businesses and Community groups has been unprecedented and disruptive; coupled with a rapidly changing financial sector and constant changes to the Banking environment and procedures, we can be very proud of how our Community Bank has stood tall and met the challenges.

Being able to continue operating whilst keeping Staff and Customers safe was a key focus and I would like to thank our staff for the fantastic way they have and are handling this difficult situation.

Change in Banking is moving faster than ever, embracing this change whilst maintaining our core values of customer service and local representation has been a driver for us. I would like to thank Bendigo Bank for supporting us in changing our Management Structure to allow Daryl to move into the Small Business Management role, as this will allow us to continue and build on the assistance we can provide locally and keep the personal touch that is our difference to other Banks. Daryl has been our Branch Manager for the past 14 years, and has been a leader for our Branch and a valuable catalyst in building our community partnerships. I would like to congratulate Daryl for everything he has done as the Branch Manager and on taking on this new and important position.

I would also like to congratulate Janine Smith on her appointment to the Branch Manager's role, Janine has taken this step with enthusiasm and her diligence and leadership are showing through. I am sure we all wish Janine all the best.

Every year we thank all the staff for their efforts and care, being at the forefront of customers interaction with the Bank it is here that our real difference at being a customer focused Community Bank is displayed. This year in particular I thank each member for their continued efforts during such a trying period.

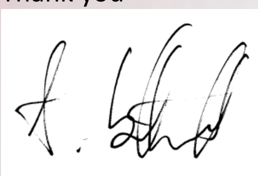
We are building on our key partnerships in the Community and see the benefits of these partnerships coming to fruition, some fantastic projects that are now underway in our area are the Wentworth Long Day Care Centre, the Wentworth Show Ground Pavilion and the Wentworth Medical Centre; we are proud to have played our part in supporting these projects.

Thank you to Bendigo Bank and especially Paul Rains as our Regional Manager, a difficult year to be a regional Manager and Paul has backed us in and supported our aspiration for a structure that supports our unique region. Thanks as well to Robert Herbert for his assistance in creating the Small Business Managers role.

I would like to acknowledge and thank all my fellow Board members; it is a pleasure to work with such a cohesive and positive Board and I believe the Board is in good hands going forward.

To all our Customers, a huge thank you for your continued support, you are our biggest advocates, and your support enables us help build a better community.

Thank you



Andrew Cottrell
Director
Chair

Branch Manager's Report

For year ending 30 June 2020

We again experienced another strong performance for the financial year with business growth of $8.2M on the books. Our total business volume now sits at $179.30M and continues to grow. This year we have seen the loss of financial planning business of $2.5M due to the Bendigo Bank making a strategic decision to sell off this arm of the business earlier in the year. We can still provide our customers with Financial Planning advice through third party provider Bridges who work closely with bank customers who require financial advice.

Over the past five years of operation our business has grown by over $50M which is a great achievement for a little branch in a remote Shire like Wentworth. I believe it is the personal touch our staff provide along with great competitive products and services provided by the Bendigo and Adelaide Bank that attracts customers to us.

The increase in business has prompted a change in Managerial Staffing of the branch operation. We have seen a significant increase in our Small Business customer numbers. It has come to a point that to continue to provide a high level of service to these customers, we needed a dedicated Manager to look after their needs. As of the 1st July this year, I have moved from the Branch Manager role to Small Business Manager to better service our Business customers going forward. We welcome Janine Smith to the Branch Manager role which will now see the role dedicated to overseeing the Branch Operations, Customer Service and Consumer Lending at the Branch level. Janine brings with her years of experience and the transition will be seamless I'm sure.

The Covid-19 Pandemic hit our community in early March, and we entered unchartered territory and have been working with this for some 6 months. Changes seem to be hitting us from the Government and in turn Bendigo Bank on an almost daily basis and I'm pleased to say we have weathered the storm quite well. We acknowledge that the changes were needed to protect our customers, staff and our business. We have been able to reach out to our customers and provide loan payment deferral options to help them through this trying period. Financial assistance may be something our customers will need for some time and we encourage anyone with financial issues to give us a call or come in for a chat.

Sadly, many of our local events we all enjoy on a social level have had to be cancelled this year, but we are expecting them to come back bigger and better next year.

I would like to thank our staff team here at the branch for another wonderful year's performance. Janine, Liz, Andrew, Marie, Bonnie, Debbie and Breeon - congratulations on another great year's performance. Kate Stock man and Jill Davidson, thank you for your support over the year delivering on our marketing and community development/engagement activities.

Thank you to all our long-term customers and all the new customers that have come on board over the past 12 months to support us. We aim to continue to provide you with the highest-level banking experience in the country.

To our lending specialists in the Business Banking team of Paul, Creagh and Gaylene along with our Rural Bank Agribusiness team of Mark and Damien. Thank you for your support over the past year and providing our customers the customary level of service expected. Thanks to Paul Rains our Regional Manager and his team, for his support and direction. We look forward to having a more face to face interaction in the new year with travel restrictions hopefully being lifted.

Branch Manager’s Report *(continued)*

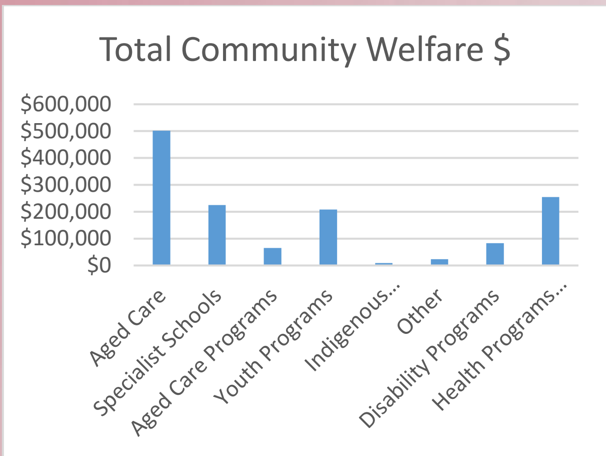
I would like to thank and acknowledge the efforts and dedication of our Chairman, Andrew Cottrell and the Board of Directors throughout the year. Where would our Bank Branch and community be without you guys. Your willingness to embrace new technology like Zoom to continue with monthly meetings whilst in lockdown was fantastic.

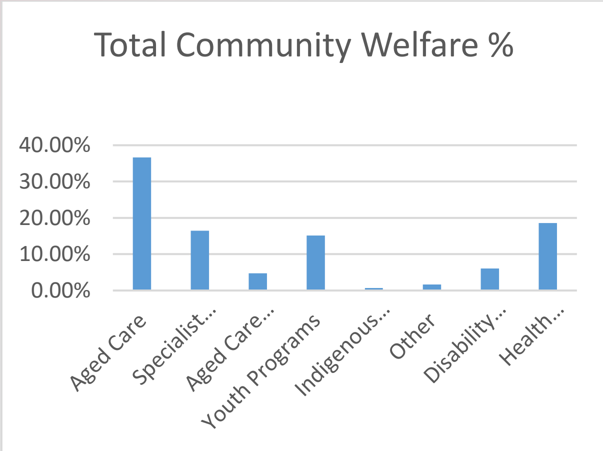
This being my last Annual Branch Managers report, I would like to say thanks to the staff, board of Directors, Bendigo staff and our customers for your friendship and support over the past 16 years. Look forward to working with you all in the Small Business Manager role in the ensuing years.

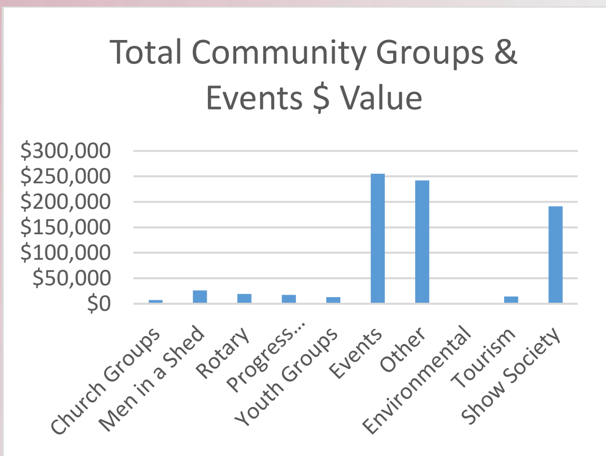
Daryl Wescombe
Branch Manager

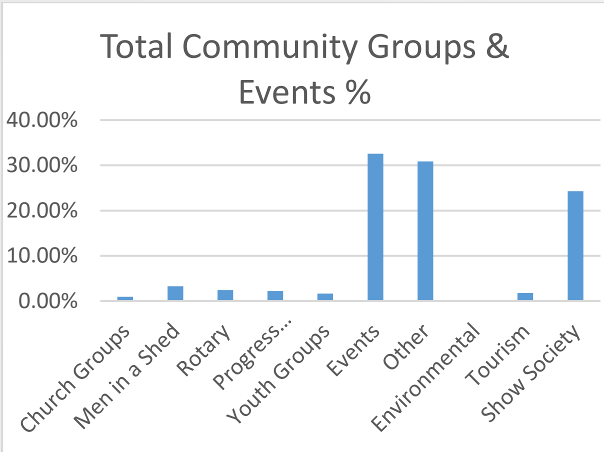
Report of Sponsorships & Contributions

Total Community Contributions by Wentworth District Capital Ltd (1999 - 2020)	
Financial Year	**Value**
2019/2020	$87,817.28
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

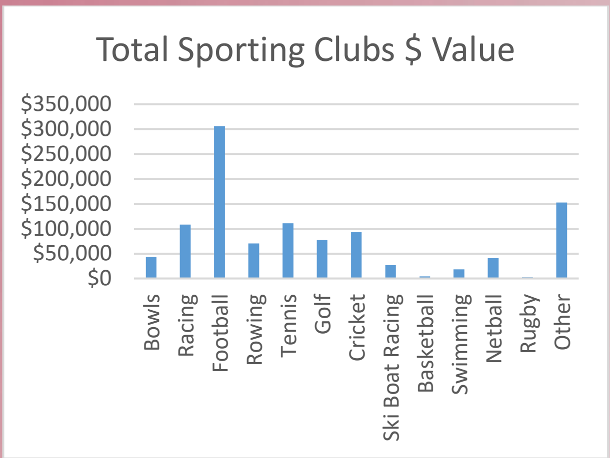


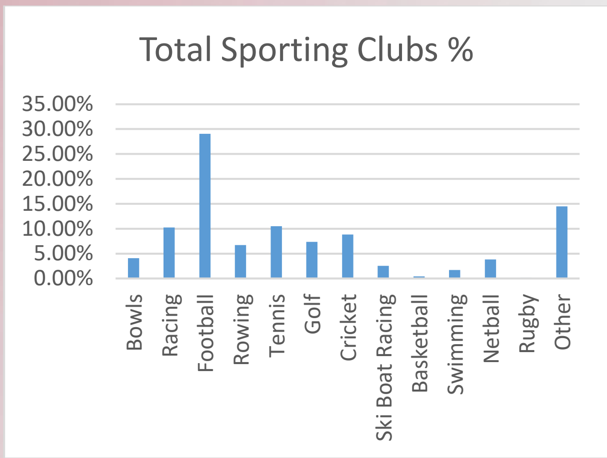


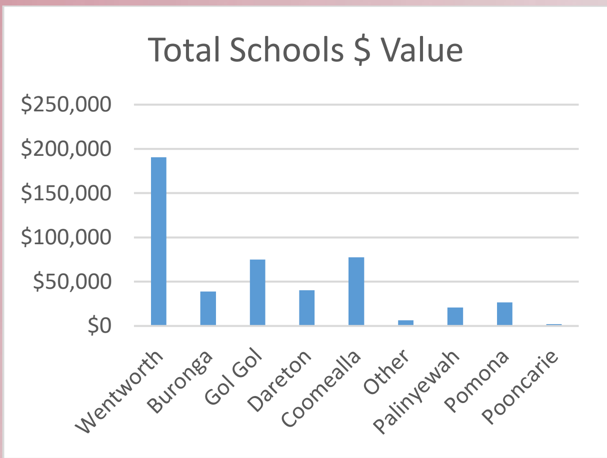


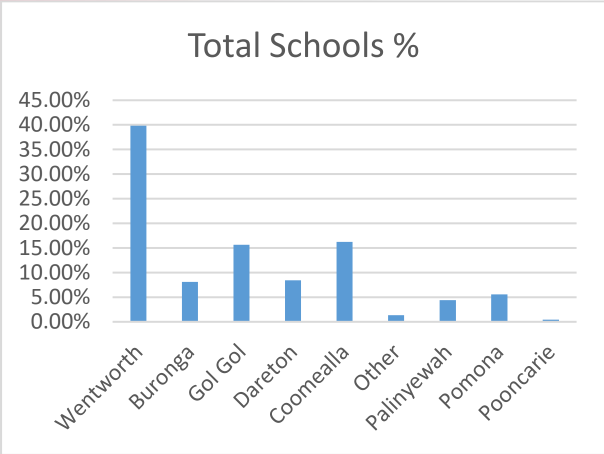


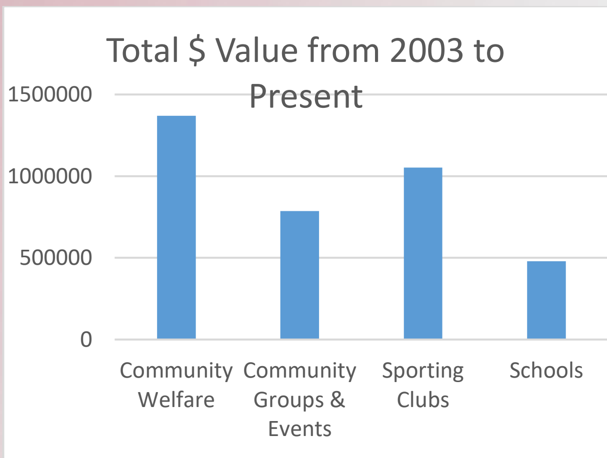
Report of Sponsorships & Contributions *(continued)*

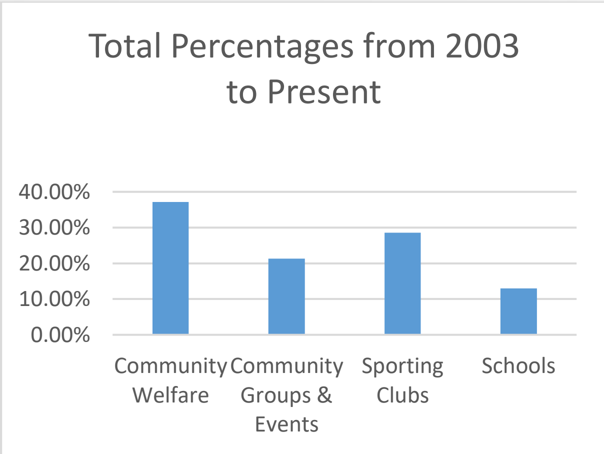












Directors' Report

For year ending 30 June 2020

The Directors present their report of the company for the financial year ended 30 June 2020.

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 - Teacher
Experience and expertise	Coomealla High School; 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
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	Manager, Tax advisory Accountant at Findex; Mentoring & Executive roles in numerous community organisations; CFO at Comla Farms.

Glenn Thompson	
Position	Director
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	11
Emily Rebecca Bysouth	11	11
Donna Kristine Scopelliti	11	10
Kerryn Dawn Swarbrick	11	7
Stefanie Christiane Heaysman	11	10
Glenn Stuart Thompson	11	8

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 Profit of the company for the financial year after the distribution of our annual charitable donations, sponsorships and grants was $285,493 (2019: a Loss of $38,644).

The net assets of the company have increased to $1,917,894 (2019: $1,637,411).

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 8 staff and continues to invest annually into the community through its grants program.

New Accounting Standards Implemented

The Company has implemented a new accounting standard that is applicable for the current reporting period. AASB 16: Leases has been applied retrospectively using the modified cumulative approach, with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at 1 July 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 117: Leases.

COVID-19 Impact on Operations

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary interventions to stabilise economic conditions. The Company has had to implement COVID-19 safety plans, which required the acquisition of perspex barrier screens for staff, hand sanitiser stations, and undertake extra regular branch cleaning.

The Company has determined that these events have not required any specific adjustments within the financial report. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as any impact on the financial position and results of the Company for future periods.

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.

Directors’ Report *(continued)*

Short term objectives (continued)

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.

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.

Directors’ Report *(continued)*

Strategy for achieving short and long-term objectives (continued)

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 2020 the total amount that members of the Company are liable to contribute if the Company wound up is $1,660 (2019: $1,660).

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

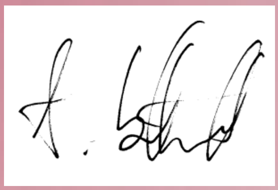
No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Directors' Report *(continued)*

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 13th November 2020.



Andrew Mark Cottrell
Director

Auditor's Independence Declaration

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

In accordance with Section 307C of the *Corporations Act 2001*, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

(i) The auditor independence requirements of 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:17 November 2020

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 2020

	Notes	2020 $	2019 $
Revenue	2	1,275,213	1,243,834
Expenses			
Employee benefits expense	3	(609,088)	(660,873)
Depreciation and amortisation expense	3	(80,139)	(77,381)
Administration and general costs		(86,596)	(108,448)
Finance costs	3	(4,290)	-
Bad and doubtful debts expense	3	1,423	24
Occupancy expenses		(8,184)	(52,354)
IT Costs		(26,517)	(27,018)
Other expenses		(89,701)	(112,244)
Total Expenses		**(903,092)**	**(1,038,294)**
Operating profit before charitable donations, sponsorships and grants		**372,121**	**205,540**
Charitable donations, sponsorships and grants	3	(86,628)	(244,184)
Profit (loss) before income tax expense		**285,493**	**(38,644)**
Tax expense / (benefit)	4	-	-
Profit (loss) for the year		**285,493**	**(38,644)**
Other comprehensive income		-	-
Total comprehensive income for the year		**285,493**	**(38,644)**

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

Financial Statements *(continued)*

Statement of Financial Position as at 30 June 2020

	Notes	2020 $	2019 $
Assets			
Current Assets			
Cash and cash equivalents	5	286,307	158,043
Trade and other receivables	6	128,008	94,579
Investments and other financial assets	7	1,507,129	1,471,172
Other assets	8	9,754	7,892
Total Current Assets		**1,931,198**	**1,731,686**
Non-Current Assets			
Property, plant and equipment	9	447,454	251,427
Intangible assets	10	49,439	62,623
Total Non-Current Assets		**496,893**	**314,050**
Total Assets		**2,428,091**	**2,045,736**
Liabilities			
Current Liabilities			
Trade and other payables	12	172,234	279,146
Leases	13	25,696	-
Provisions	14	57,159	84,038
Total Current Liabilities		**255,089**	**363,184**
Non Current Liabilities			
Trade and other payables	12	27,358	45,141
Leases	13	203,146	-
Provisions	14	24,604	-
Total Non Current Liabilities		**255,108**	**45,141**
Total Liabilities		**510,197**	**408,325**
Net Assets		**1,917,894**	**1,637,411**
Equity			
Retained earnings	15	1,917,894	1,637,411
Total Equity		**1,917,894**	**1,637,411**

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 2020

	Retained Earnings $	Total Equity $
Balance at 1 July 2019	**1,637,411**	**1,637,411**
Change due to adoption of AASB 16	(5,010)	(5,010)
Balance at 1 July 2019 (restated)	**1,632,401**	**1,632,401**
Profit for the year	285,493	285,493
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**285,493**	**285,493**
Balance at 30 June 2020	**1,917,894**	**1,917,894**
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**

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 2020

	Notes	2020 $	2019 $
Cash Flows from operating activities			
Receipts from customers		1,328,886	1,322,348
Payments to suppliers and employees		(1,157,526)	(1,301,662)
Interest received		36,301	39,617
Interest expense		(4,290)	-
Net cash flows Provided By operating activities	16b	**203,371**	**60,303**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(1,625)	(89,492)
Purchase of intangible assets		-	(11,204)
Purchase of Investments		(35,957)	(37,648)
Net cash flows used in investing activities		**(37,582)**	**(138,344)**
Cash Flows from financing activities			
Repayment of lease liabilities		(37,525)	-
Net cash flows used in financing activities		**(37,525)**	**-**
Net increase (decrease) in cash held		**128,264**	**(78,041)**
Cash and cash equivalents at start of year		158,043	236,084
Cash and cash equivalents at end of year	16a	**286,307**	**158,043**

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

Notes to the Financial Statements

For year ended 30 June 2020

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 13th November 2020.

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, issue 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.

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.

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 2019. 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 2019 are the relevant policies for the purposes of comparatives.

AASB 16 Leases became mandatorily effective on 1 January 2019. 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 16 Leases

AASB 16 Leases replaces AASB 117 Leases and three associated Interpretations. The new standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated, as permitted under the specific transition provisions in the standard.

For contracts in place at the date of initial application, as permitted under the specific transition provisions in the standard, the Company has elected to apply the definition of a lease from AASB 117 and relevant associated interpretations, and has not applied AASB 16 to arrangements that were previously not identified as a lease under AASB 117 and associated interpretations. This means that any contracts that were deemed to not contain a lease under AASB 117 have not been reassessed under AASB 16.

The Company has also elected to not include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. Furthermore, at this date, the Company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition as allowed under the transition provisions.
Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

1. Summary of significant accounting policies (continued)

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

AASB 16 Leases (continued)

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value-assets (less than $10,000) the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 4.5%.

The Company has benefited from the use of hindsight for determining lease term when considering options to extend and terminate leases.

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019.

	$
Total operating lease commitments disclosed at 30 June 2019	323,414
Recognition exemptions:	
• leases of low value assets	-
• leases with remaining lease terms of less than 12 months	-
Variable lease payments not recognised	-
Other minor adjustments relating to commitment disclosures	-
Operating lease liabilities before discounting	**323,414**
Lease liability discounted using incremental borrowing rate at date of initial application (1 July 19)	(57,047)

	$
Lease liability as at 1 July 2019	-
Represented by:	
Current lease liabilities	37,525
Non-current lease liabilities	228,842
	266,367

Adjustments recognised in the balance sheet on 1 July 2019

The recognised right-of-use assets relate to the following types of assets:

	30 June 2020	1 July 2019
	$	$
Properties	226,866	261,357
Total right-of-use assets	**226,866**	**261,357**

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

Balance sheet item	Effect	Amount $
Property, plant and equipment	Increase	261,357
Lease liabilities	Increase	266,367
Retained earnings	Decrease	5,010

1. Summary of significant accounting policies (continued)

(g) Change in accounting policies

Accounting policy applicable from 1 July 2019

The Company as a lessee

For any new contracts entered into on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, the right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in borrowings.

1. Summary of significant accounting policies (continued)

(g) Change in accounting policies (continued)

Accounting policy applicable before 1 July 2019
The Company as a lessee
Finance leases
Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See the accounting policy note in the year-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases
All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Impact of standards issued but not yet applied by the entity

AASB 17 Insurance Contracts
AASB 17 was issued in July 2017 as replacement for AASB 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under AASB 9.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. As the company does not issue any insurance contracts or investment contracts with discretionary participation features, the directors have determined this standard will not affect the company when adopted.

The company does not intend to adopt the standard before its effective date.

AASB 1059 Service Concession Arrangements: Grantors
The standard applies to both not-for-profit and for-profit public sector entities that are grantors in a service concession arrangement. These are arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector entity for a specified period of time and managing at least some of those services.

As the Company is not a grantor in a service concession arrangement, the directors have determined this standard will not affect the company when adopted.

The Company does not intend to adopt the standard before its effective date.

2. Revenue

	2020	2019
	$	$
Revenue		
- services commissions	1,208,743	1,204,199
	1,208,743	1,204,199
Other revenue		
- interest received	30,494	39,617
- other revenue	35,976	18
	66,470	39,635
Total Revenue	1,275,213	1,243,834

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.

Other revenue shows an additional $35,940 as a result of the Governments covid-19 response in the form of the cash flow boost.

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

3. Expenses	2020	2019
	$	$
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	528,276	556,172
- superannuation costs	52,616	53,731
- workers' compensation costs	1,165	1,281
- other costs	27,031	49,689
	609,088	660,873
Depreciation and amortisation		
Depreciation		
- leased assets right of use	34,491	-
- leasehold improvements	22,494	19,527
- computer equipment	903	1,045
- furniture and fittings	2,580	2,122
- motor vehicle	6,487	8,650
	66,955	31,344
Amortisation		
- Franchise Fees	13,184	46,037
Total depreciation and amortisation	80,139	77,381
Finance Costs:		
- Interest paid	4,290	-
Bad and doubtful debts expenses (recovered)	(1,423)	(24)
Auditors' remuneration		
Remuneration of the Auditor RSD Audit for:		
- Audit or review of the financial report	3,750	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 accurals 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.

3. Expenses (continued)

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

Class of asset	*Rate*	*Method*
ROU Assets - Buildings	10-50%	Dimishing Value
Furniture and fittings	10 - 20%	Straight line / Dimishing Value
Leasehold improvements	6.72 - 10%	Straight line
Motor Vehicles	25%	Dimishing Value
Computer Equipment	40%	Dimishing Value
Franchise Fees	20%	Straight line

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.

5. Cash and cash equivalents

	2020 $	2019 $
Cash at bank and on hand	286,307	158,043

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

6. Trade and other receivables

	2020 $	2019 $
Current		
Trade debtors	84,429	78,362
Other Receivables	43,579	16,217
	128,008	94,579

Trade and other receivables are initially measured at the transaction price. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.are due for settlement usually no more than 30 days from the date of recognition.

The Company's main debtor relates to the Bendigo & Adelaide Bank monthly profit share distribution, which is deposited 14 days post month end, there is no items that require the application of the lifetime expected credit loss model.

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 Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current and forecast directions of conditions at the reporting date.

6. Trade and other receivables (continued)

Credit Risk (continued)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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	
2020	$	$	$	$	$	$
Trade receivables	84,429	84,429	-	-	-	-
Other receivables	43,579	43,579	-	-	-	-
Total	**128,008**	**128,008**	**-**	**-**	**-**	**-**
2019						
Trade receivables	78,362	78,362	-	-	-	-
Other receivables	16,217	16,217	-	-	-	-
Total	**94,579**	**94,579**	**-**	**-**	**-**	**-**

7. Financial assets

	2020	2019
	$	$
Amortised cost		
Term deposits	1,507,129	1,471,172
	1,507,129	1,471,172

The effective interest rate on the bank deposits was 2.40% (2019: 2.62%). 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.

(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

7. Financial assets (continued)

(b) Measurement of financial assets (continued)

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.

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.

(c) Impairment of financial assets

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.

8. Other assets

	2020	2019
	$	$
Prepayments	9,754	7,892
	9,754	**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.

9. Property, plant and equipment

	2020 $			2019 $		
	At cost	Accumulated depreciation	Written down value	At cost	Accumulated depreciation	Written down value
ROU Assets - Buildings	261,357	(34,491)	226,866	-	-	-
Leasehold improvements	293,950	(99,127)	194,823	293,950	(76,633)	217,317
Furniture and fittings	50,897	(45,651)	5,246	49,272	(43,071)	6,201
Motor vehicles	39,838	(20,376)	19,462	39,838	(13,889)	25,949
Computer equipment	10,666	(9,609)	1,057	10,666	(8,706)	1,960
Total property, plant and equipment	**656,708**	**(209,254)**	**447,454**	**393,726**	**(142,299)**	**251,427**

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.

Leased assets

As described in Note 1(h), the Company has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 17.

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.

9. Property, plant and equipment (continued)

(a) Capital expenditure commitments

The entity does not have any capital expenditure commitments at 30 June 2020 (2019: None).

(b) Movements in carrying amounts of PP&E

2020	Land & Buildings $	Leasehold Improvements $	Computer Equipment $	Furniture & Fittings $	Motor Vehicles $	Total $
Opening carrying value	-	217,317	1,960	6,201	25,949	251,427
Adjustment for adoption of AASB 16	261,357	-	-	-	-	261,357
Restated opening net book amount	261,357	217,317	1,960	6,201	25,949	512,784
Depreciation	(34,491)	(22,494)	(903)	(2,580)	(6,487)	(66,955)
Closing carrying value	**226,866**	**194,823**	**1,057**	**3,621**	**19,462**	**445,829**

2019	Buildings $	Leasehold Improvements $	Computer Equipment $	Furniture & Fittings $	Motor Vehicles $	Total $
Opening carrying value	-	148,742	1,615	8,323	34,599	193,279
Additions	-	88,102	1,390	-	-	89,492
Depreciation	-	(19,527)	(1,045)	(2,122)	(8,650)	(31,344)
Closing carrying value	**-**	**217,317**	**1,960**	**6,201**	**25,949**	**251,427**

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	2020 $
Properties	226,866
Computer Equipment	-
Furniture & Fittings	-
Motor Vehicles	-
Total right-of-use assets	**226,866**

9. Property, plant and equipment (continued)

(d) Right of use assets

The Company's lease portfolio includes buildings, plant and equipment.

Options to extend or terminate

The option to extend or terminate are contained in the property lease(s) of the Company. All extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the Right of use asset.

(i) AASB 16 related amounts recognised in the statement of financial position

	Leased Building $	Total Right of use asset $
Leased Asset	261,357	261,357
Accumulated depreciation	-	-
	261,357	**261,357**

Movements in carrying amounts:	Leased Building $	Total Right of use asset $
Recognised on initial application of AAS		
- previously classified as operating leas	261,357	261,357
- transferred from property, plant & equi	-	-
Additions	-	-
Depreciation expense	(34,491)	(34,491)
Net carrying amount	**226,866**	**226,866**

(ii) AASB 16 related amounts recognised in the statement of profit or loss	2020 $
Depreciation charge related to right-of-use assets	**34,491**
Interest expense on lease liabilities	**4,290**
Total cash outflows for leases	**41,815**

10. Intangible assets

	2020 $ At cost	2020 $ Accumulated amortisation	2020 $ Written down value	2019 $ At cost	2019 $ Accumulated amortisation	2019 $ Written down value
Franchise fees	134,632	(85,193)	49,439	134,632	(72,009)	62,623
Establishment costs	60,000	(60,000)	-	60,000	(60,000)	-
Total intangible assets	**194,632**	**(145,193)**	**49,439**	**194,632**	**(132,009)**	**62,623**

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.

2020	Opening written down value $	Additions $	Amortisation $	Closing written down value $
Franchise fees	62,623	-	(13,184)	49,439
Establishment costs	-	-	-	-
Total intangible assets	**62,623**	**-**	**(13,184)**	**49,439**

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**

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.

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

12. Trade and other payables

	2020	2019
	$	$
Current		
Unsecured liabilities:		
Trade creditors	16,718	20,618
Community Pledges (i)	106,500	225,000
BABL Franchise fee loan	13,679	13,679
Other creditors and accruals	35,337	19,849
	172,234	**279,146**
Non-current		
Unsecured liabilities:		
BABL Franchise fee loan	27,358	45,141
	27,358	**45,141**
Total trade and other payables	**199,592**	**324,287**

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.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

The average credit period on trade and other payables is one month.

(i) The company has resolved to contribute towards community projects. These pledges will become due an payable when these projects commence.

13. Leases

	2020	2019
	$	$
Current		
Property Leases	25,696	-
	25,696	**-**
Non-current		
Property Leases	203,146	-
	203,146	**-**
Total leases	**228,842**	**-**

The Company has three non-cancellable property 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 futher period of the same term. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as a lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 9d)

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying asset outright at the end of the lease, or to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant & equipment and incur maintenance fees on such items in accordance with the lease contracts.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2020 were as follows:

	Minimum lease payments due				
	Within 1 year	1-2 Years	3-5 years	After 5 years	Total $
30 June 2020					
Lease payments	35,286	26,065	81,769	138,480	281,600
Finance charges	(9,590)	(8,691)	(20,937)	(13,540)	(52,758)
Net present values	**25,696**	**17,374**	**60,832**	**124,940**	**228,842**
30 June 2019					
Lease payments	41,815	35,285	26,065	220,248	323,413
Finance charges	(4,290)	(9,590)	(8,691)	(34,476)	(57,047)
Net present values	**37,525**	**25,695**	**17,374**	**185,772**	**266,366**

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

13. Leases (continued)

The expense relating to payments not included in the measurement of the lease liability is as follows:

	30 June 2020
	$
Variable lease payments	15,611
	15,611

Variable lease payments expensed on the basis that they are not recognised as a lease liability include rentals based on revenue from the use of the underlying asset and excess use charges on office equipment. Variable payment terms are used for a variety of reasons, including minimising costs for IT equipment with infrequent use. Variable lease payments are expensed in the period they are incurred.

Total cash outflows for leases for the year ended 30 June 2020 was $$57,426 (2019): $57,897).

Additional information on the right-of-use assets by class of assets is as follows:

	Carrying amount (Note 9)	Depreciation Expense	Impairment
	$	$	$
Property Leases	261,357	(34,491)	-
	-	-	-
	261,357	**(34,491)**	**-**

14. Provisions

	2020	2019
	$	$
Current		
Employee Benefits	57,159	84,038
Non-current		
Employee Benefits	24,604	-
Total provisions	81,763	84,038

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.

14. Provisions (continued)

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.

15. Retained earnings

	2020 $	2019 $
Balance at the beginning of the reporting period	1,637,411	1,676,055
Change due to adoption of AASB 16	(5,010)	-
Profit (loss) after income tax	285,493	(38,644)
Balance at the end of the reporting period	1,917,894	1,637,411

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 2020 the number of members was 166 (2019: 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.

16. Statement of cash flows

	2020	2019
	$	$
(a) Cash and cash equivalents balances as shown in the Statement of Financial Position can be reconciled to that shown in the Statement of Cash Flows as follows:		
Cash and cash equivalents (note 5)	286,307	158,043
As per the Statement of Cash Flow	286,307	158,043
(b) Reconciliation of cash flow from operations with Profit / (Loss) after income tax		
Profit / (Loss) after income tax	285,493	(38,644)
Non cash items		
- Depreciation PP&E (non-leased)	32,464	31,344
- Depreciation of ROU Leased PP&E	34,491	-
- Amortisation	13,184	46,037
Changes in assets and liabilities		
- (Increase) decrease in trade and other receivables	2,511	(1,454)
- (Increase) decrease in prepayments and other assets	(37,802)	8,528
- Increase (decrease) in trade and other payables	(124,695)	20,008
- Increase (decrease) in provisions	(2,275)	(5,516)
Net cash flows from operating activities	203,371	60,303

(c) Credit standby arrangement and loan facilities

None in place at the date of this report.

(d) Changes in Liabilities arising from Financing Activities.

	1-Jul-19	Cash Flows	Non-cash changes				30-Jun-20
			Initial	Acquisition	Fair Value	Reclassification	
	$	$	$	$	$	$	$
Lease liabilities	266,367	(37,525)	-	-	-	-	228,842
Total	266,367	(37,525)	-	-	-	-	228,842

17. 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:

Name of related party	Description of goods / services provided	Value $
Edward O'Shannessy	Coomealla High School - Annual Donation	500
	Coomealla High School - Magazine Advertising	150
E.Rebecca Bysouth	Bysouths Garage - Company car service	228
	Bysouths Garage - Company car tyres	1,034
Donna Scopelliti	Varapodio Product - Home Loan Hampers	400
Glenn Thompson	Coomealla Cricket Club - Mens Health Donation	1,000
	Coomealla Cricket Club - Grant (Roller)	6,000

(d) Other Key Management transactions

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

18. Events after the reporting period

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

19. Contingent liabilities and contingent assets

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

20. 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 (2019:100%).

21. Commitments

	2020	2019
	$	$

Sponsorship and funding commitments

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

	2020	2019
Payable - minimum sponsorship and funding payments	$	$
- no later than 12 months	24,150	24,150
- between 12 months and 5 years	92,600	117,750
Total minimum sponsorship and funding commitments	116,750	141,900

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.

22. Company details

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

23. 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 main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantial 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, bank overdraft and loans. The totals for each category of financial instruments measured in accordance with AASB 9 Financial Instruments as detailed in the accounting policies are as follows:

	Note	2020 $	2019 $
Financial Assets			
- Cash and cash equivalents	5	286,307	158,043
- Trade and other receivables	6	128,008	94,579
- Investments and other financial assets	7	1,507,129	1,471,172
Total Financial Assets		1,921,444	1,723,794
Financial Liabilities			
- Trade and other payables	12	172,234	324,287
- Lease Liabilities	13	228,842	-
Total Financial Liabilities		401,076	324,287

(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 ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. 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.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

23. Financial risk management (continued)

(a) Credit Risk (continued)

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.

Financial liability and financial asset maturity analysis:

30 June 2020	Weighted average interest rate %	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial Assets						
- Cash and cash equivalents	0.14%	5	286,307	286,307	-	-
- Trade and other receivables		6	128,008	128,008	-	-
- Investments	2.00%	7	1,507,129	1,507,129		
Total anticipated inflows			1,921,444	1,921,444	-	-
Financial Liabilities						
- Trade and other payables		12	172,234	144,876	27,358	
- Lease liabilities		13	228,842	25,696	101,659	101,487
Total expected outflows			401,076	170,572	129,017	101,487
Net Inflow / (Outflow) on financial instruments			1,520,368	1,750,872	(129,017)	(101,487)

23. Financial risk management (continued)

(b) Liquidity Risk (continued)

Financial liability and financial asset maturity analysis: (continued)

30 June 2019	Weighted average interest rate %	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial Assets						
- Cash and cash equivalents	0.92%	5	158,043	158,043	-	-
- Trade and other receivables		6	94,579	94,579	-	-
- Investments	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	-
- Lease liabilities		13	-	-	-	-
Total expected outflows			324,287	279,146	45,141	-
Net Inflow / (Outflow) on financial instruments			1,399,507	1,444,648	(45,141)	-

(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.

	2020		2019	
	Profit $	Equity $	Profit $	Equity $
+/- 1% in interest rates (interest income)	17,934	17,934	16,292	16,292
	17,934	17,934	16,292	16,292

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:

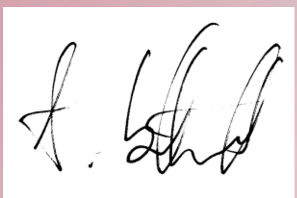
1 The financial statements and notes of the company as set out on pages 15 to 43 are in accordance with the Corporations Act 2001 and:

(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 2020 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 13th November 2020.

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Bendigo, Victoria
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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 (the Company), which comprises the statement of financial position as at 30 June 2020, 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 other explanatory information, and the directors' declaration.

In our opinion the accompanying 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 2020 and of its performance for the year then ended; and

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

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 Company 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 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 for the Audit of the Financial Report

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.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

rsd Audit

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 2020, 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. In 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
Partner
Bendigo
Dated: 17 November 2020

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Web: www.bendigobank.com.au/wentworth

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www.facebook.com/WentworthDistrictCommunityBankBranch

Bendigo Bank

Bendigo and Adelaide Bank Limited ABN 11 068 049 178, AFSL/Australian Credit Licence 237879 A1429506 OUT_1424861 06/08/2020