

Wentworth Holdings Limited

ACN 080 167 264

Year ended 30 June 2012



wentworth™
leading the way home

2012 Annual Report

Corporate Directory

Registered Office and Principal Place of Business

Wentworth Holdings Limited
Level 29, 55 Collins Street
Melbourne Victoria 3000

Correspondence Address

Wentworth Holdings Limited
Level 29, 55 Collins Street
Melbourne Victoria 3000
T 0420 961 617
F 03 8692 1122
W www.wentworthholdings.com.au

Stock Exchange Listings

Shares in Wentworth Holdings Limited are listed on the Australian Stock Exchange ("ASX")

Directors

Vaughan Webber, Non-Executive Chairman
Colin N Cowden, Non-Executive Director
Hugh W Robertson, Non-Executive Director
Nigel W Sharp, Non-Executive Director
Charles M Tarbey, Executive Director (resigned 23 December 2011)

Company Secretary

Ron Hollands

Other Key Management Personnel (KMP)

Ron Hollands, Chief Financial Officer/Company Secretary
Lisa Campbell, Commercial Operations Manager (KMP until 23 December 2011)
Melanie Carey, State Manager (KMP until 23 December 2011)
Richard Kemp, State Manager (KMP until 23 December 2011)
Valarie Stamp, Branch Manager (KMP until 23 December 2011)

Auditor

Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne Victoria 3000

Share Registry

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
T 02 9290 9600
F 02 9279 0664
W www.registries.com.au

The Annual General Meeting of Wentworth Holdings Limited will be held on:

Monday 12 November 2012 commencing at 10am in the offices of:
InvestorFirst Limited
Level 29, 55 Collins Street
Melbourne VIC 3000

Contents

Chairman's Report	4
Directors' Report	5
Corporate Governance Statement.....	13
Consolidated Statement of Comprehensive Income	16
Consolidated Statement of Financial Position.....	17
Consolidated Statement of Changes in Equity.....	18
Consolidated Statement of Cash Flows.....	19
Notes to the Financial Statements.....	20
Directors' Declaration	52
Independent Auditor's Report	53
Auditors Independence Declaration.....	54
Shareholder Information	56

Chairman's Report

Dear shareholder

Wentworth has undergone significant change over the past 12 months.

As announced in October 2011, the Wentworth Board undertook a strategic review of the business in the preceding 12 months which saw it actively explore a number of opportunities to grow the property management business and expand into related business sectors. In considering various opportunities, the Board was very conscious of undertaking any activity that created additional risk to the business. Concurrently, the Board undertook a review of the business and its assets which involved the examination of both growth and asset sale scenarios.

The strategic review concluded that the current businesses and associated assets would be best operated outside the listed public company domain. A sub committee of the Board was convened and the business and assets discretely marketed for sale.

After due consideration, the Board concluded (subject to shareholder approval), an offer made by Combined Rental Pty Ltd, a company associated with Mr Charles Tarbey (former Executive Director), was the most attractive in terms of value and risk and was in the best interests of shareholders. The key aspects to the offer were:

- Sale price of \$18.7 million for the acquisition of certain Wentworth Group controlled entities that held all rent roll assets and selected other assets and liabilities. \$16.9 million was to be paid on completion with a further, up to \$1.8 million deferred consideration, within 12 months.

The sale price valued Wentworth at significantly above its current book and market value.

- Assumption of all employees and associated liabilities and premises by the purchaser.
- No retention period on rent rolls assets sold.
- Wentworth repaid Macquarie Bank debt (circa \$3.5 million).

This transaction was approved by shareholder on 15 December 2011 and completed 23 December 2011.

The 6 months following completion of the rent roll divestment transaction were spent actively working to identify a new undertaking for the company. Whilst the Board remains flexible in reviewing business opportunities, we are conscious of the responsibility to shareholders in identifying an appropriate business that would be well received by the broader investment community. This process involved meeting with approximately 50 potential investees/contacts to source investments.

In the course of this activity, against a background of continuing economic uncertainty, it became apparent:

- There were limited quality businesses suitable for Wentworth.
- Quality businesses considered by Wentworth were typically at above market valuations and therefore deemed too expensive, particularly given the economic outlook.
- There were and are opportunities to invest in entities (both listed and unlisted) at attractive valuations that would likely provide more reliable longer term returns (capital and income) and less volatility through diversification.

On the basis on the above, subject to shareholder and regulatory approval, it was proposed that Wentworth change its main undertaking to that of an Investment Company. This was approved by shareholders on 6 August 2012.

As an Investment Company, Wentworth aim to provide investors the opportunity to invest in a portfolio of investments assembled through the application of a defined investment process using the experience of an Investment Committee. The Company will predominantly invest in a combination of ASX listed securities, unlisted entities and debt instruments. Where appropriate investments cannot be identified, available funds will be invested in cash. The Company will focus on absolute performance concerning its investments.

We have continued to operate an on market share buy back, acquiring over 3 million shares (cost: circa \$0.2 million) to date, representing over 1% of the company's issued capital.

As at the date of this report, we are extremely well positioned with circa \$14 million cash, no debt and net tangible assets of circa \$15 million or 6.6 cents per share.

I would like to personally thank my fellow board members, Wentworth employees and all shareholders for their support during the year.



Vaughan Webber
Chairman
Melbourne
28 September 2012

Directors' Report

The directors of Wentworth Holdings Limited ('the Company') submit the annual financial report of the Company for the financial year ended 30 June 2012. To comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The following persons were directors of Wentworth Holdings Limited during the whole of the financial year and up to the date of this report:

Vaughan Webber (Non-Executive Chairman)
Colin N Cowden (Non-Executive Director)
Hugh W Robertson (Non-Executive Director)
Nigel W Sharp (Non-Executive Director)

The following person was a director of the company during a part of the financial year and/or up to the date of this report:

Charles M Tarbey (Executive Director) - resigned 23 December 2011

Information on Directors

Details of the directors in office during the financial year and until the date of this report are set out below:

Vaughan Webber, Non-Executive Chairman

Vaughan Webber is an experienced finance professional with a background in chartered accounting at a major international accountancy firm and more recently in corporate finance servicing Australian capital markets. Vaughan is a director of Anchor Resources Limited (appointed 19 August 2011). Vaughan was also a director of Golden West Resources Limited (24 July – 26 November 2009) and Style Limited (23 October 2009 - 4 March 2010). Vaughan is chair of the Nominations and Remuneration Committees and a member of the Audit and Risk Committee.

Interests in shares and options at the date of this report:

- 216,424 Ordinary shares in Wentworth Holdings Limited
- Nil Options

Colin N Cowden, Non-Executive Director

Colin Cowden is an Associate of the Institute of Chartered Secretaries, a Certified Practicing Accountant and is a Fellow of the Australian and New Zealand Institute of Insurance and Finance. Colin has over 40 years experience in the insurance industry and has been involved in the management of both private and public companies. Colin was a director of Centamin Egypt Limited until 26 May 2011. Colin is a member of the Audit and Risk and Nominations Committees.

Interests in shares and options at the date of this report:

- 5,982,009 Ordinary shares in Wentworth Holdings Limited
- Nil Options

Hugh W Robertson, Non-Executive Director

Hugh Robertson has over 25 years experience in the stock broking industry and is a director of Rattoon Holdings Ltd (delisted 8 March 2011) and Investor First Limited (appointed 2 May 2011). Hugh was also a director of NSX Ltd until 25 May 2009. Hugh is chair of the Audit and Risk Committee and a member of the Nominations and Remuneration Committees.

Interests in shares and options at the date of this report:

- 6,529,145 Ordinary shares in Wentworth Holdings Limited
- Nil Options

Nigel W Sharp Executive Director

Nigel Sharp has over 30 years experience in the property industry including property management, property development, listed property trust management, property valuations and sustainability solutions for property. Nigel is a member of the Remunerations Committee.

Interests in shares and options at the date of this report:

- 5,380,724 Ordinary shares in Wentworth Holdings Limited
- Nil Options

Charles M Tarbey Executive Director (resigned 23 December 2011)

Charles Tarbey has over 40 years experience in the real estate industry and is the Australian master franchisee for the Century 21 brand in Australia. Charles was a member of the Nominations and Remuneration Committees (resigned 23 December 2011).

Interests in shares and options at the date of this report:

- 16,716,165 Ordinary shares in Wentworth Holdings Limited
- 15,000,000 Options

Directors' Report (continued)

Information on Directors (continued)

Remuneration of Directors and Senior Management

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report, on pages 9 to 12.

Company Secretary

Ron Hollands

Ron Hollands is a Chartered Accountant with over 20 years experience with a major international accountancy practice and with public and private companies. Mr. Hollands was appointed as Company Secretary on 29 July 2009.

Interest in shares at the date of this report:

- 434,744 Ordinary shares in Wentworth Holdings Limited
- Nil Options

Attendance at Meetings by Directors

During the financial year, the following meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Risk Committee		Remuneration Committee	
	E	A	E	A	E	A
Vaughan Webber	13	13	2	2	-	-
Colin N Cowden	13	12	2	2	-	-
Hugh W Robertson	13	12	2	2	-	-
Nigel W Sharp	13	12	-	-	-	-
Charles M Tarbey (resigned 23 December 2011)	8	4	-	-	-	-

E = number eligible to attend

A = number attended

Note: Membership of each Committee is listed in 'Information on Directors' above.

Indemnification and Insurance of Directors, Officers and Auditors

The constitution of the Company provides that the Company may indemnify each officer of the Company or a subsidiary of the Company against any liability for costs and expenses incurred in defending any proceedings against them and for any liability incurred, unless the liability arises out of a lack of good faith.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

During the financial year, the Company paid insurance premiums for directors' and officers' liability insurance in respect of all directors and Key Management Personnel of the Company. The Company elects, for commercial reasons, not to disclose the terms and conditions of the policy or disclosure of amounts of premium paid.

Principal Activities

The principal activities of Wentworth during the financial year were Real Estate Sales and Property Management in Western Australia, Victoria and New South Wales. On 23 December 2011 the company divested its main undertaking to Combined Rentals Pty Limited, an entity associated with Mr Charles Tarbey, for \$18.704 million.

Review of Operations/changes in state of affairs

Wentworth's full year profit after tax is \$2.592 million (2011: \$0.476 million) for the year ended 30 June 2012. Net assets at 30 June 2012 were \$14.723 million (2011: \$12.233 million) sourced from the above result, after allowing for a share buy back programme. Total liabilities at 30 June 2012 were \$0.168 million (2011: \$6.134 million), reduced throughout the year from operating cash flow and proceeds from the rent roll divestment. Bank debt was reduced by \$3.690 million and was \$nil at 30 June 2012.

Wentworth continued an on market share buy back programme, acquiring circa 2.785 million shares during the year ended 30 June 2012 (cost: \$0.161 million) representing over 1% of the company's issued capital.

Resources and operations

Following the abovementioned roll divestment, Wentworth has no (2011: 123) employees at 30 June 2012.

Directors' Report (continued)

Review of Operations/changes in state of affairs (continued)

Dividends

No dividend was declared for the year ended 30 June 2012. (2011: 0.5 cents per share (unfranked) totaling \$1.132 million).

Future performance

Disclosure of information regarding likely developments in the operations of the consolidated Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated Group. Accordingly, this information has not been disclosed.

Funding and capital structure

The consolidated Group had no bank debt. Cash at bank was \$13.937 million at 30 June 2012.

Business strategy and outlook, likely developments and expected results of operations

As previously announced, on 23 December 2011, the company divested its main undertaking to Combined Rentals Pty Limited, an entity associated with Mr Charles Tarbey, for \$18.704 million.

Following completion of the rent roll divestment transaction, the company has sought out a new undertaking. This process involved meeting with approximately 50 potential investees/contacts to source investments.

In the course of this activity, against a background of continuing economic uncertainty, it became apparent:

- There were limited quality businesses suitable for Wentworth.
- Quality businesses considered by Wentworth were typically at above market valuations and therefore deemed too expensive, particularly given the economic outlook.
- There were and are opportunities to invest in entities (both listed and unlisted) at attractive valuations that would likely provide more reliable longer term returns (capital and income) and less volatility through diversification.

On the basis of the above, subject to shareholder and regulatory approval, it was proposed that Wentworth change its main undertaking to that of an investment company. This was approved by shareholders on 6 August 2012.

Given the change of undertaking has been a recent event, the Company is not in a position at this stage to provide any guidance concerning future expected earnings.

Events Subsequent to Balance Date

On 6 August 2012, a change in the company's main undertaking to that of an investment company was approved at an Extraordinary General Meeting of shareholders.

The financial statements were authorised for issue by the directors on 28 September 2012.

Aside from the above, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the consolidated Group, the results of those operations, or the state of affairs of the consolidated Group in future financial years.

Share Options

Refer below for details regarding other share options on issue as at the date of this report as well as any movements during the year.

1. Employee share plan

No options on issue as at the date of this report.

2. Executive share option plan

It was resolved at the Company's 2009 annual general meeting (AGM) held on 16 December 2009, to issue up to 15 million options to subscribe for fully paid ordinary shares (Options) to Charles Michael Tarbey (Executive Director of the Company) or his nominee. The Options were issued Mr. Tarbey or his nominee as part of his remuneration.

There is no issue price for these Options as the Options were granted for no consideration. The key terms of the Options are as follows:

- the exercise price of each Option is \$0.06;
- the Options are exercisable wholly or in part at any time from day of issue and will expire on the date that is 3 years from the date of issue;

Directors' Report (continued)

Share Options (continued)

- each Option shall entitle Charles Michael Tarbey or his nominee to acquire one share in the capital of the Company;
- each Option may be exercised by delivering to the registered office of the Company a notice in writing during the period referred to above stating the intention of Charles Michael Tarbey or his nominee to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining;
- all shares issued on exercise of the Options will rank pari passu in all respects with the Company's then issued shares. These Options will be unlisted; and
- the Options are not transferable.

Should all of the Options be exercised, the Company will raise a total of \$900,000. The options were independently valued at \$531,000 by Leadenhall VRG Pty Limited on 21 December 2009.

Directors' Report (continued)

Audited Remuneration Report

The directors present the Remuneration Report for Wentworth Holdings Limited and the consolidated Group prepared in accordance with section 300A of the *Corporations Act 2001* for the year ended 30 June 2012.

Background

This report sets out the remuneration policies that apply to all directors and other key management personnel of Wentworth Holdings Limited.

Key management personnel

Names and position held by key management personnel (KMP) in office at any time during the 2012 financial year are:

Key Management Person	Position
Mr. Vaughan Webber	Chairman
Mr. Colin Cowden	Non - Executive Director
Mr. Hugh Robertson	Non - Executive Director
Mr. Nigel Sharp	Non - Executive Director
Mr. Charles Tarbey	Executive Director (resigned 23 December 2011)
Mr. Ron Hollands	Chief Financial Officer/ Company Secretary
Ms. Lisa Campbell	Commercial Operations Manager (KMP until 23 December 2011)
Mrs. Melanie Carey	State Manager (KMP until 23 December 2011)
Mrs. Valerie Stamp	Branch Manager (KMP until 23 December 2011)
Mr. Richard Kemp	State Manager (KMP until 23 December 2011)

The five highest remunerated consolidated Group Executives for the 2012 financial year were:

Person	Position
Mrs. Melanie Carey	State Manager
Mrs. Valerie Stamp	Branch Manager
Ms. Lisa Campbell	Commercial Operations Manager
Mr. Richard Kemp	State Manager
Mr. Ron Hollands	Chief Financial Officer

Remuneration - General

Wentworth's compensation policy for Executives

The Board, through the establishment of a Remuneration Committee, develop and approve the Remuneration Policy for the Company. The Company aims to pay market-competitive compensation packages made up of a base salary (fixed) – this includes cash, superannuation, leave loading, other salary sacrifice items and Fringe Benefits Tax (FBT) and performance based compensation. This is generally positioned at market median against comparable industry peers on the basis of annual benchmarking. The objective of the compensation policy is to ensure that reward for performance is market-competitive, appropriate to the results delivered and aligned with stakeholder interests. Base salaries are reviewed annually, although they may also be reviewed on promotion.

The Company does not have a policy concerning KMP limiting their exposure to risk regarding the Company's securities.

Remuneration – Non-Executive Directors

The Board has adopted a policy to ensure that remuneration packages for Non-Executive Directors are transparent and easily explained while at the same time enabling the Board to attract and retain the highest quality candidates, whilst incurring a cost which is acceptable to shareholders.

The maximum remuneration of Non-Executive Directors is to be determined by Shareholders at a General Meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. At present, the maximum aggregate remuneration of Non-Executive Directors is \$200,000 per annum, which is reviewed annually. The total remuneration paid to Non-Executive Directors was \$81,750 (2011: \$80,216) based on the financial performance of the consolidated Group.

The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

Directors' Report (continued)

Audited Remuneration Report (continued)

Service Agreements

Remuneration and other terms of employment for some Executives have been formalised in service agreements. All contracts with Executives may be terminated early by either party with various periods of notice, subject to termination payments as detailed below:

Mr. Ron Hollands - Chief Financial Officer

- Term of agreement commenced 24 March 2012, then on a month to month basis.
- His current annualised consulting fee, inclusive of superannuation, is \$158,400 per annum.
- No payment of termination benefit on early termination of the consulting agreement.

Ms. Lisa Campbell - Commercial Operations Manager

- Term of agreement – KMP 19 November 2008 – 23 December 2011.
- Her annualised base salary, inclusive of superannuation, was \$130,800 per annum.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to 4 weeks salary.

Mrs. Melanie Carey- State Manager

- Term of agreement – KMP 1 February 2011 – 23 December 2011.
- Her annualised base salary, inclusive of superannuation, was \$65,400 per annum.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to 4 weeks salary.

Mr. Richard Kemp - State Manager

- Term of agreement – KMP 1 February 2011 – 23 December 2011.
- His annualised base salary, inclusive of superannuation, was \$126,626 per annum.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to 4 weeks salary.

Mrs. Valerie Stamp - Branch Manager

- Term of agreement – KMP 22 December 2009 – 31 January 2011 & 1 July 2011 – 23 December 2011.
- Her annualised base salary, inclusive of superannuation, was \$112,878 per annum.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to 4 weeks salary.

Details of Compensation

Details of the nature and amount of each element of compensation of directors and other key management personnel (KMP) for the current and comparative years are:

Compensation details for 1 July 2011 to 30 June 2012

	Short term employee benefits		Post employment benefits	Termination benefits	Share – based payments	Total	% of compensation consisting of shares
	Base \$	Other (i) \$	Superannuation \$	\$	\$	%	
Directors							
Mr. Vaughan Webber	30,000	-	2,700	-	-	32,700	-
Mr. Colin Cowden	15,000	-	1,350	-	-	16,350	-
Mr. Hugh Robertson	15,000	-	1,350	-	-	16,350	-
Mr. Nigel Sharp	15,000	-	1,350	-	-	16,350	-
Mr. Charles Tarbey	200,000	-	-	-	-	200,000	-
	275,000	-	6,750	-	-	281,750	
Other KMP							
Ms. Lisa Campbell (iii)	57,727	-	5,195	-	-	62,922	-
Mr. Ron Hollands	158,400	53,344	-	-	-	211,744	-
Mr Richard Kemp (iii)	50,107	13,991	5,769	-	-	69,867	-
Mrs Melanie Carey (iii)	28,864	917	2,680	-	-	32,461	-
Mrs. Valerie Stamp (iv)	46,934	10,404	5,160	-	-	62,498	-
	342,032	78,656	18,804	-	-	439,492	
	617,032	78,656	25,554	-	-	721,242	

Directors' Report (continued)

Audited Remuneration Report (continued)

Compensation details for 1 July 2010 to 30 June 2011

	Short term employee benefits		Post employment benefits	Termination benefits	Share – based payments	Total	% of compensation consisting of shares
	Base \$	Other (i) \$	Superannuation \$	\$	\$	\$	%
Directors							
Mr. Vaughan Webber	29,807	-	2,683	-	-	32,490	-
Mr. Colin Cowden	14,903	-	1,341	-	-	16,244	-
Mr. Hugh Robertson	14,903	-	1,341	-	-	16,244	-
Mr. Nigel Sharp (ii)	13,980	-	1,258	-	-	15,238	-
Mr. Charles Tarbey	100,000	-	-	-	-	100,000	-
	173,593	-	6,623	-	-	180,216	
Other KMP							
Ms Lisa Campbell	116,346	-	10,471	-	-	126,817	-
Mr. Ron Hollands	179,400	27,503	-	-	-	206,903	-
Mrs. Rosemary McKechnie	144,283	29,808	15,668	-	-	189,759	-
Mrs. Melanie Carey	25,000	-	2,250	-	-	27,250	-
Mr. Richard Kemp	47,562	4,973	4,728	-	-	57,263	-
Mrs. Valerie Stamp (iv)	56,547	8,694	5,872	-	-	71,113	-
	569,138	70,978	38,989	-	-	679,105	
	742,731	70,978	45,612	-	-	859,321	

(i) Comprises car allowances, license allowances and sales commissions.

(ii) Mr. Nigel Sharp was appointed a Non - Executive Director on 27 July 2010.

(iii) KMP until 23 December 2011. Their respective remuneration represents payments made during their tenure as KMP.

(iv) Mrs. Valerie Stamp was a KMP from 22 December 2009 until 31 January 2011 and from 1 July 2011 until 23 December 2011. Accordingly her remuneration reported represents payments made during her tenure as a KMP.

Options

Option details 1 July 2011 to 30 June 2012

	Balance 1 July 2010	Granted as Compensation	Exercised	Lapsed	Balance vested at 30 June 2011	% of grant vested	No. of Options exercised
	No	No	No	No	no	No	No
Executive							
Mr. Charles Tarbey	15,000,000	-	-	-	15,000,000	100%	Nil

Option details 1 July 2010 to 30 June 2011

	Balance 1 July 2011	Granted as Compensation	Exercised	Lapsed	Balance vested at 30 June 2012	% of grant vested	No. of Options exercised
	No	No	No	No	No	No	No
Executive							
Mr. Charles Tarbey	15,000,000	-	-	-	15,000,000	100%	Nil

Executive Share Option Plan

The Executive Share Option Plan is an ownership based remuneration scheme that covers persons who are employed by the consolidated Group or a Director of the consolidated group and who the board determines is eligible to participate in the Options Scheme. The company issued nil (2011: nil) share options over shares under its Executive Share Option Plan during the year ended 30 June 2012.

Directors' Report (continued)

Audited Remuneration Report (continued)

Remuneration Policy and Company Performance

No KMP were given performance based compensation as their roles do not have a direct influence on the financial performance of the Company in the year ended 30 June 2012.

	30 June 2012 \$'000	30 June 2011 \$'000	30 June 2010 \$'000	30 June 2009 \$'000	30 June 2008 \$'000
Revenue (Continuing Operations)	442	16	14,044	19,894	31,412
Revenue (Discontinued Operations)	10,460	13,970	-	762	5,332
Net Profit/(Loss) before Tax (Continuing Operations)	(1,020)	(670)	(1,626)	(11,691)	(16,200)
Net Profit/(Loss) before Tax (Discontinued Operations)	4,621	137	-	(300)	(5,952)
Net Profit/(Loss) after Tax (Continuing Operations)	(2,029)	339	(1,626)	(11,691)	(17,870)
Net Profit/(Loss) after Tax (Discontinued Operations)	4,621	137	-	(300)	(5,952)
Share Price start of year	\$0.045	\$0.080	\$0.060	\$0.088	\$0.205
Share Price at the end of the year	\$0.054	\$0.045	\$0.080	\$0.060	\$0.088
Interim Dividend	-	-	-	-	-
Final Dividend	-	0.5 cents	0.5 cents	-	-
Basic Earnings per share - Continuing Operations (cents)	(0.90)	0.15	(0.79)	(10.48)	(16.51)
Diluted Earnings per share - Continuing Operations (cents)	(0.90)	0.15	(0.79)	(10.48)	(16.51)
Basic Earnings per share - Discontinued Operations (cents)	2.05	0.06	-	(0.27)	(5.50)
Diluted Earnings per share - Discontinued Operations (cents)	2.05	0.06	-	(0.27)	(5.50)

The consolidated Group aims to pay market-competitive compensation packages made up of a fixed base salary (includes cash, superannuation, leave loading), other salary sacrifice items, Fringe Benefits Tax (FBT) and bonuses, generally positioned at market median against comparable industry peers on the basis of annual benchmarking. Bonuses are paid to encourage behaviours and performance that will contribute to the consolidated Group's profits and are congruent with the aim to maximise shareholder wealth.

The compensation policy objective is to ensure that reward for performance is market-competitive, appropriate to the results delivered and aligned with stakeholder interests. Base salaries are reviewed annually, although they may also be reviewed on promotion.

Corporate Governance

The directors of Wentworth Holdings Limited support and adhere to the principles of good corporate governance. All directors, managers and employees are expected to act with integrity and objectivity, to enhance the reputation and performance of the consolidated Group. The Group's Corporate Governance Statement is contained in the following section of this Annual Report.

Non-audit Services

The directors are satisfied that the provision of non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 8 to the financial statements.

Auditors' independence declaration

The auditor's independence declaration is included on page 53 of the annual report.

Proceedings on Behalf of the 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.

Rounding off of amounts

The Company is a Company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to section 298 (2) of the *Corporations Act 2001*.

On behalf of the Directors



Vaughan Webber
Chairman
Melbourne
28 September 2012

Corporate Governance Statement

This statement provides an outline of the main corporate governance practices Wentworth Holdings Limited (the 'Company') has in place and provides disclosure to the extent recommended by the Australian Stock Exchange (the 'ASX') in accordance with its Principles of Good Corporate Governance and Best Practice Recommendations (the 'ASX Guidelines'). Where the Company has adopted a practice that differs from the ASX Guidelines, disclosure is made of the Company's practice and how that practice embraces the ASX Guidelines.

The Board are committed to conducting the company's business ethically and in accordance with high standards of corporate governance. The Board (and company management) regularly review company policies, practices and procedures, particularly concerning corporate governance.

Principle 1: Lay solid foundations for management and oversight

The Board of Directors (the 'Board') of the Company is responsible for the corporate governance of the Company and the Company's overall business performance. The Board sets the strategic direction of the Company and, through the Executive Director and senior management, have oversight of and monitor the implementation and progression by the Company of that strategic direction.

The Board has delegated to the Executive Director and senior management, responsibility for the management of the daily operations of the business of the Company. The Board meet at least monthly when, inter alia, the Executive Director reports on the Company operations. The Board has a Charter that details the responsibilities of the Board, the Executive Director and those responsibilities specific to the Chairman.

Any authority that has not been expressly delegated by the Board to the Executive Director, senior management or another delegate is reserved for the Board. The Board reviews the distribution of authority between itself and management regularly to ensure that there is an appropriate balance of authority relevant to the requirements of the Company.

Principle 2: Structure the board to add value

The Board comprises the following individuals:

Name	Position	Name	Position
Vaughan Webber	Non-Executive Chairman	Hugh Robertson	Non-Executive Director
Nigel Sharp	Non-Executive Director	Colin Cowden	Non-Executive Director
Charles Tarbey	Executive Director (resigned 23 December 2011)		

The Board considers the Non-Executive Chairman and the three (3) Non-Executive Directors are independent of management and are able to manage any conflict arising from any external relationship that could, or could reasonably be perceived to, materially interfere with their exercise of independent and unfettered judgment.

Election of Board members is achieved by the Company's shareholders at a General Meeting in accordance with the Company's constitution. Specifically, currently, each director retires after two (2) years in office and must seek re-election from shareholders if they wish to continue in office.

The Company is committed to the following principles:

- A Board comprised of directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- The principal criterion for the appointment of new directors being their ability to add value to the Company and its business.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report and are considered appropriate by the Board for the Company.

The Board has a Nomination Committee and an approved Charter for the Nomination Committee. The Nomination Committee has a Board approved policy concerning processes and procedure for selecting and recommending to the Board the appointment of Non-Executive Directors, the Executive Director and senior management. The Nomination Committee comprises Vaughan Webber (Chairman), Hugh Robertson, Colin Cowden and Charles Tarbey (resigned 23 December 2011). Attendance by members at meetings of the committee is included in the directors' report.

Each director may obtain independent professional advice at the expense of the Company on matters arising in the course of their Board duties. The payment for the cost of the advice by the Company is subject to the approval of the Chairman, which will not be unreasonably withheld.

Principle 3: Promote ethical and responsible decision making

The Board is committed to the establishment and maintenance of an appropriate Code of Conduct to provide guidance to directors, senior management and all staff. The key purpose of the Code of Conduct is to maintain the Company's integrity, to set the responsibility and accountability of individuals for reporting and investigating unethical practices and to achieve compliance with legal and other obligations and to then report to legitimate stakeholders.

The Board adopts a formal Code of Conduct, Share Trading Rules and a Conflict of Interest Policy. These codes, rules and policies apply to each all key management personnel and prohibit key management personnel from acquiring or disposing of shares in the Company whilst in the possession of information which is market sensitive and not publicly available.

Corporate Governance Statement (continued)

Principle 3: Promote ethical and responsible decision making (continued)

DIVERSITY

The Company recognises the value contributed by employing people with varying skills, cultural backgrounds, ethnicity and experience and believes its diverse workforce is the key to its continued growth, improved productivity and performance.

The company actively values and embraces the diversity of our employees and is committed to creating an inclusive workplace where everyone is treated equally and fairly and where, discrimination, harassment and inequity are not tolerated. Whilst Wentworth is committed to fostering diversity at all levels, gender diversity has been and continues to be a priority.

Principle 4: Safeguard integrity in financial reporting

The Executive Director and the Chief Financial Officer make the following certifications to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and the consolidated Group and are in accordance with relevant legislation and accounting standards;
- that the Company has adopted an appropriate system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- that the Company's risk management and internal compliance and controls are operating efficiently and effectively in all material respects.

The Board has an Audit and Risk Committee and an approved Audit and Risk Committee Charter. The Audit and Risk Committee comprises Hugh Robertson (Chairman) and Colin Cowden and Vaughan Webber. The Audit and Risk Committee recommends candidates for appointment as the external auditor of the Company and from time to time will review the scope, performance and fees of the external auditor. The attendance at meetings of the committee is included in the directors' report.

Principle 5: Make timely and balanced disclosures

The Company acknowledges the importance of providing the market with timely, balanced and accurate information to ensure that the market remains efficient, competitive and fully informed. The Board is committed to the enhancement of investor confidence and promotes its commitment by complying with the continuous disclosure rules contained in the Listing Rules of the ASX and with the requirements of the Corporations Act.

The Company adopts a Listing Rules Compliance Policy. This policy contains procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance.

Principle 6: Respect the rights of shareholders

The Company keeps its shareholders and the market informed through ASX announcements regarding material developments and the annual and half yearly reports. The Company's shareholders elect directors at the Annual General Meeting (AGM) in accordance with the Company's Constitution. The AGM is held in Melbourne, Victoria. Shareholders have the opportunity to express their views, ask questions about Company business and vote on items of business for resolution by shareholders at the Annual General Meeting.

The Company adopts a Shareholders Communications Policy which aims to promote effective communication with shareholders and encourage their participation at General Meetings.

Principle 7: Recognise and manage risk

As stated above, the Company has an Audit and Risk Committee and an approved Audit and Risk Committee Charter. The collective experience of the Board and senior management enables accurate identification of the principal risks which may affect the Company's business. These risks are also considered by the Audit and Risk Committee, discussed and methods for management of these risks agreed. In addition, key operational risks and their management, will be advised to the Board and will be recurring items for deliberation at Board meetings.

It is the Board's responsibility to ensure that an effective internal control framework exists, including controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational performance indicators.

Principle 8: Remunerate fairly and responsibly

The Board again carried out reviews during the year of its own performance in meeting its key responsibilities. The purpose of these reviews is to identify areas of weakness and mechanisms for improving the functioning and performance of the Board and its relationship with management, and to consider progress made towards attaining specific performance objectives. The Board developed and adopted a Performance Evaluation Policy to assist with this review process.

Non-Executive Directors are remunerated by a fixed director's fee including superannuation, as permitted by the Company's Constitution. The Executive Director and key management personnel of the Company receive salary, benefits and incentives as part of their remuneration package as detailed in the Directors' Report. The remuneration of an Executive Director will be decided by the Board, without the affected Executive Director participating in that decision making process.

Corporate Governance Statement (continued)

Principle 8: Remunerate fairly and responsibly (continued)

The Board has an established Remuneration Committee and have approved a Remuneration Policy. The Remuneration Committee comprises Vaughan Webber (Chairman), Hugh Robertson, Nigel Sharp and Charles Tarbey (resigned 23 December 2011). The attendance at meetings of the committee is detailed in the directors' report.

The maximum remuneration of Non-Executive Directors is determined by Shareholders at a General Meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. At present the maximum aggregate remuneration of Non-Executive Directors is \$200,000 per annum. The apportionment of non-executive Director Remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or make special exertions on behalf of the Company. The amount of remuneration for all directors and the five highest paid executives, including all monetary and non-monetary components, are detailed in the directors' report under the heading Remuneration.

Consolidated statement of comprehensive income

For the year ended 30 June 2012

		Year ended 30 June 2012 \$'000	Year ended 30 June 2011 \$'000
	Notes		
Continuing operations			
Revenue		442	16
Employee benefits expense		(82)	(80)
Finance costs	5	(166)	(398)
Administration expenses		(1,175)	(208)
Other expenses		(39)	-
Profit/(loss) before income tax		(1,020)	(670)
Income tax (expense)/benefit	6	(1,009)	1,009
Profit/(loss) for the year from continuing operations		(2,029)	339
Discontinued operations			
Profit for the year from discontinued operations		4,621	137
Profit for the year		2,592	476
Other comprehensive income			
Realisation of reserve following sale of investments		-	(218)
Net value gain/(loss) on available for sale financial assets		-	(59)
Other comprehensive income for the year, net of tax		-	(277)
Total comprehensive income for the year		2,592	199
 Profit/(loss) attributable to:			
Owners of the Company		2,592	476
 Total comprehensive income attributable to:			
Owners of the Company		2,592	199
 Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents per share)	9a	1.15	0.21
Diluted earnings per share (cents per share)	9b	1.15	0.21
 From continuing operations			
Basic earnings per share (cents per share)	9a	(0.90)	0.15
Diluted earnings per share (cents per share)	9b	(0.90)	0.15

The above consolidated statement of comprehensive income should be read in conjunction with the attached notes.

Consolidated statement of financial position

As at 30 June 2012

		30 June 2012	30 June 2011
	Notes	\$'000	\$'000
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	10	13,937	740
Trade and other receivables	11	780	255
Other current assets	12	174	325
Total Current Assets		14,891	1,320
<i>Non Current Assets</i>			
Plant and equipment	13	-	230
Goodwill	14	-	9,801
Other intangible assets	15	-	6,003
Other financial assets	16	-	4
Deferred tax assets	6	-	1,585
Total Non Current Assets		-	17,623
Total Assets		14,891	18,943
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	18	157	796
Borrowings	19	-	648
Provisions	20	11	1,562
Income tax	6	-	576
Total Current Liabilities		168	3,582
<i>Non Current Liabilities</i>			
Borrowings	19	-	3,042
Provisions	20	-	86
Total Non Current Liabilities		-	3,128
Total Liabilities		168	6,710
Net Assets		14,723	12,233
Equity			
<i>Capital and reserves</i>			
Issued capital	21	78,602	78,763
Reserves	23	531	472
Accumulated losses	24	(64,410)	(67,002)
Equity attributable to owners of the Company		14,723	12,233
Total Equity		14,723	12,233

The above consolidated statement of financial position should be read in conjunction with the attached notes.

Consolidated statement of changes in equity

For the year ended 30 June 2012

	Issued capital \$'000	Share option reserves \$'000	Financial asset revaluation reserves \$'000	Accumulated losses \$'000	Total \$'000
Balance - 30 June 2010	79,735	669	218	(66,366)	14,256
Profit after tax	-	-	-	476	476
Realisation of reserve following sale of investments	-	-	(218)	-	(218)
Fair value adjustment: available for sale assets (i)	-	-	(59)	-	(59)
Transfer from reserves: share based payments (ii)	138	(138)	-	-	-
Decrease in issued capital - Share buy back (iii)	(1,085)	-	-	-	(1,085)
Share buy back costs (iii)	(25)	-	-	-	(25)
Dividend	-	-	-	(1,112)	(1,112)
Balance - 30 June 2011	78,763	531	(59)	(67,002)	12,233
Profit after tax	-	-	-	2,592	2,592
Disposal of available for sale assets (i)	-	-	59	-	59
Decrease in issued capital - Share buy back (iii)	(159)	-	-	-	(159)
Share buy back costs (iii)	(2)	-	-	-	(2)
Dividend	-	-	-	-	-
Balance - 30 June 2012	78,602	531	-	(64,410)	14,723

(i) Refer Note 12.

(ii) Share based payments made to Mr. Tarbey resolved at the 2008 AGM.

(iii) Refer Note 21.

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

Consolidated statement of cash flows

For the year ended 30 June 2012

		Year end 30 June 2012 \$'000	Year end 30 June 2011 \$'000
	Notes		
Cash flows from operating activities			
Receipts from customers		6,514	14,718
Payments to suppliers and employees		(6,414)	(12,383)
Interest and other costs of finance paid		(166)	(398)
Interest received		248	16
Net cash provided by operating activities	27	182	1,953
Cash flows from investing activities			
Proceeds from disposal of non-current assets (2011: Other current assets)		16,854	1,676
Loans repaid by other entities		1,192	98
Receipts/(payments) for investments		179	(218)
Payment for plant and equipment		(31)	(83)
Net cash provided by investing activities		18,194	1,473
Cash flows from financing activities			
Dividend		(1,127)	(1,155)
Share buy back and associated costs		(161)	(1,110)
Loans to related parties		(201)	-
Repayment of borrowings		(3,690)	(1,046)
Net cash (used in) financing activities		(5,179)	(3,311)
Net increase in cash and cash equivalents		13,197	115
Cash and cash equivalents at the beginning of the financial year		740	625
Cash and cash equivalents at the end of the financial Year	10	13,937	740

The above consolidated statement of cash flows should be read in conjunction with the attached notes.

Notes to the Financial Statements

1. Significant accounting policies

a. Statement of compliance

The financial report is a general purpose financial report for the year ended 30 June 2012, prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report includes the consolidated financial statements of the consolidated Group. For the purposes of preparing the consolidated financial statements, the company is a for-profit entity.

Accounting Standards include Australian Equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial statements and notes of the consolidated Group comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the directors on 28 September 2012.

b. Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The Company is a Company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and comparative information presented.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company ('the consolidated Group'). A controlled entity is an entity the Company has the power to govern the financial and operating policies to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the consolidated Group. All inter-company balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation.

d. Critical accounting judgments and key sources of estimation uncertainty

In the application of the consolidated Group's accounting policies (described above), management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities, that are not readily apparent from other sources. Estimates and associated assumptions are based on historical experience and other factors, the results of which form the basis for making the judgements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Following are key assumptions concerning future and other key sources or estimation uncertainty at the balance date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

i. Impairment of goodwill and other intangible assets and receivables

Determining whether goodwill and other intangible assets are impaired requires an estimation of the recoverable amount of each cash-generating unit (CGU). The recoverable amount of each CGU is based on the fair value less selling costs on the basis that the value in use of each CGU is not materially different from its fair value less selling costs. The carrying amount of Goodwill and Other Intangible Assets at balance date is \$nil (2011: \$9.801 million) and \$nil (2011: \$6.003 million) respectively. Details of the impairment testing and the results thereof are provided at Note 14.

Determining whether receivables are impaired requires an estimation of the recoverable amount of each receivable. The recoverable amount of each receivable is based on the fair value less selling costs on the basis that the value in use of each CGU is not materially different from its fair value less selling costs.

The recoverable amount of Receivables at balance date is \$0.780 million (2011: \$0.255 million), net of impairment expense of 0.230 million (2011: \$0.058 million). Details of the impairment testing and the results thereof are provided at Note 11.

ii. Amortisation of Other Intangible Assets (Property Management Rights)

Determining the useful lives of the Other Intangible Assets with finite lives (comprising) requires an estimate of the remaining useful life of each rent roll. The carrying amount of the Other Intangible Assets at balance date is \$nil (2011: \$6.003 million). Details of the useful lives are provided at Notes 1 (j) (2) and 15.

Notes to the Financial Statements

1. Significant accounting policies (continued)

iii. Business combinations

The balance of the purchase price of each real estate business acquired (net of tangible assets) was allocated between the rent roll intangible asset and goodwill on the following basis:

	Rent Roll Asset	Goodwill
Rent Roll (stand-alone rent rolls)	64%	36%
Real Estate Business (rent roll and sales operation acquired)	22%	78%

Allocations are based on business models prepared by an independent valuer. No acquisitions were made in the past 2 years.

e. Income tax

The current tax expense is based on the result for the year, adjusted for any non-assessable or disallowed items for income tax purposes for the period, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is accounted for using the comprehensive balance sheet liability method. Temporary differences are differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the consolidated statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the consolidated Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

As of 1 July 2003, Wentworth Holdings Limited (the head entity) and its 100% owned subsidiaries formed a consolidated Group for Australian taxation purposes. Wentworth Holdings Limited and the 100% owned subsidiaries in the tax consolidated Group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if the entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right. The members of the tax consolidated group are identified in Note 17.

As the head entity in the tax consolidated Group, Wentworth Holdings Limited, also recognised the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

Amounts receivable or payable under tax funding agreements with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the tax consolidated Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned consolidated entities.

f. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

g. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Notes to the Financial Statements

1. Significant accounting policies (continued)

h. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due to be settled in advance of the period to which they relate. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the consolidated Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the consolidated statement of comprehensive income.

i. Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. All plant and equipment is depreciated on a straight-line basis so as to write off the net cost of each asset over their estimated useful lives, commencing from the time the assets are held ready for use to its estimated residual value. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis. The following estimated useful lives are used in the calculation of depreciation and are unchanged from the previous financial year:

Plant and equipment.....	3 to 10 years
Leasehold improvements	10 years
Equipment under finance.....	3 years

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

j. Intangibles

1. Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit and loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2. Property management rights (rent rolls)

Property management rights, acquired as part of business combinations, are capitalised at their fair value at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

AASB 138 'Intangible Assets' requires intangible assets with finite lives to be amortised over their useful lives. The property management rights are expected to have a finite life and are therefore amortised over their useful life.

The useful lives of the property management (rent roll) intangible assets are as follows:

Real Estate Business (rent roll and sales operation acquired)	7 years	(2011: 7 years)
Rent Rolls (stand alone rent rolls)	7 years	(2011: 7 years)

The useful life of each rent roll has been estimated based upon the expected attrition rates of the property management rights. These attrition rates are based on historical experience, future expectations and by reference to business models prepared by an independent valuer.

The property management rights are tested for impairment where an indicator of impairment exists, either individually or at the cash generating unit level.

Notes to the Financial Statements

1. Significant accounting policies (continued)

3. Derecognition of intangible assets

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

k. Financial instruments

Financial assets

i. Recognition

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value, net of transaction costs, except for those financial assets classified as at fair value through profit and loss which are initially measured at fair value. Subsequent to initial recognition, investments in subsidiaries are measured at cost in the Company's financial statements. Other financial assets are classified into the following categories depending on the nature and purpose of the financial assets at the time of recognition and are measured as set out below.

ii. Loans and receivables

Trade receivables, loans and other receivables, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment.

iii. Available-for-sale financial assets (AFS)

Listed shares held by the consolidated Group which are traded in an active market, are classified as AFS and are stated at fair value. Unrealised gains and losses arising from changes in fair value are recognised directly in the financial asset revaluation reserve with the exception of impairment losses which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the financial asset revaluation reserve is included in profit or loss for the period.

Dividends received from AFS equity instruments are recognised in profit or loss when the consolidated Group's right to receive payment is established.

iv. Impairment

Financial assets, other than those classified as fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment are expected to reduce. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The financial asset carrying amount is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of a separate provision for impairment account. When a trade receivable is uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the provision account carrying amount are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

Subsequent increases in fair value after an impairment loss are recognised directly in equity for available-for-sale equity instruments.

v. Valuation methods

Fair value

Fair value is determined based on current bid prices for all quoted investments. The following evidence is used to support the fair value of unlisted investments:

- the price of recent arm's length transactions;
- the price of transactions of similar instruments sold by a third party;
- discounted cash flow models; or
- option pricing models.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Equity instruments

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the consolidated Group. Transaction costs directly attributable to the issue of new securities or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Financial Statements

1. Significant accounting policies (continued)

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. Interest is recognised as an expense as incurred.

l. Comparative information

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

m. Payables

Payables represent liabilities for goods and services provided to the consolidated Group prior to the end of the financial year which are unpaid.

n. Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all of the risks and rewards incidental to ownership of the leased property and operating leases under which the lessor effectively retains substantially all the risks and rewards.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year. Leased assets are depreciated over the shorter of their estimated useful lives or the lease term on a straight line basis.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

o. Employee benefits

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of reporting date, are recognised in other payables concerning employees' services up to the reporting date and are measured at the amounts to be expected to be paid when the liabilities are settled. Non-accumulated sick leave is recognised when leave is taken and measured at the rates paid or payable.

ii. Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of estimated future cash flows to be made in respect of services provided by employees up to the reporting date. In determining the future cash flows, consideration is given to future wage and salary levels, experience of employee departures and periods of service. In calculating the present value, expected future cash outflows are discounted using market yields, as at the balance sheet date, on national government bonds, which have terms to maturity and currency that match, as closely as possible, the estimate future cash flows.

iii. Defined contribution plans

Contributions to defined contributions superannuation plans are expensed when employees have rendered service entitling them to the contributions.

p. Provisions

Provisions are recognised when the consolidated Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount factor used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

q. Revenue

Revenue from property management and real estate sales is recognised on an accrual basis when the service has been delivered and the right to receive the revenue is established, can be reliably measured and it is probable that the revenue will be received.

Interest revenue is accrued as it is earned. Dividend revenue is recognised when the right to receive a dividend has been established.

Gains or losses arising from derecognition of an asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

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

Notes to the Financial Statements

1. Significant accounting policies (continued)

r. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

s. Acquisitions of assets and business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and the equity instruments issued by the consolidated Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration, classified as an asset or liability, are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the consolidated Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (ie: the date the consolidated Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 (2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the consolidated Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the consolidated Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the date.

The measurement period is the period from the date of acquisition to the date the consolidated Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

t. Impairment of assets

At each reporting date, the consolidated Group reviews the carrying amounts of its tangible and intangible assets to determine if there is any indication the assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Where the assets of a CGU include goodwill or intangibles which have an indefinite useful life, then the CGU is tested for impairment annually.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of (1) fair value less costs to sell and (2) value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Where the value in use is not expected to be materially different from the fair value less selling costs the recoverable amount is based on the fair value less costs to sell.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Notes to the Financial Statements

1. Significant accounting policies (continued)

t. Impairment of assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately. Any impairment loss which is allocated to goodwill is not able to be reversed in a future period where the fair value of the asset (or CGU) increases.

u. Share-based payments

Share-based compensation benefits are provided to employees through the Employee Share Plan ('the Plan'). The plan is an opportunity for eligible employees to purchase shares in Wentworth Holdings Limited. Employees, who were employed with the consolidated Group for specified periods at specified entitlement dates, are entitled to participate in the Plan. All shares issued pursuant to the Plan had a 3 year trading lock imposed. The employee also maintains full entitlement to voting, dividends and bonus issues.

Given the trading lock the Plan is treated as an option under AASB 2 "Share-based Payment".

Equity-settled share-based payments granted after 7 November 2002 that were unvested as of 1 January 2005, are measured at fair value at the date of the grant. Fair value is measured with reference to the Black Scholes Option Pricing Formula.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated Group's estimate of shares that will eventually vest.

The consolidated Group has also provided benefits to certain key management personnel in the form of share based payments, based on the achievement of performance targets. Specifically, it was resolved at the 2008 Annual General Meeting (AGM) on 19 December 2008 to offer Mr. Charles Tarbey (Executive Director), the following incentive package, at no cost:

- 2,500 million shares (\$0.136 million when issued 9 February 2009).
- An additional 2,500 million shares if earnings before interest, tax, depreciation and amortisation (EBITDA) of the Company and its subsidiaries for any financial year ending 30 June 2009 (FY09 EBITDA), 30 June 2010 (FY10 EBITDA) or 30 June 2011 (FY11 EBITDA) achieves a breakeven position, as reported in the Company's audited financial statements for the relevant financial year approved by the board of directors of the Company.
- An additional 2,500 million shares if the reported FY09 EBITDA, FY10 EBITDA or FY11 EBITDA is at least \$1,000 million. The above two (2) tranches of shares were issued 18 December 2009 (cost: \$0.275 million).
- An additional 2,500 million shares if the reported FY09 EBITDA, FY10 EBITDA or FY11 EBITDA is at least \$2,000 million. The above tranche of shares were issued 27 August 2010 (cost: \$0.138 million)

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date when they were granted. The fair value was determined at the market price of the shares at grant date.

In addition to the above, it was resolved at the Company's 2009 AGM held on 16 December 2009, to issue up to 15 million options to subscribe for fully paid ordinary shares (Options) to Mr Tarbey or his nominee. The Options were being issued to Mr. Tarbey or his nominee as part of his remuneration.

There is no issue price for these Options as the Options were granted for no consideration. The key terms of the Options are:

- the exercise price of each Option is \$0.06;
- the Options are exercisable wholly or in part at any time from day of issue and will expire on the date that is 3 years from the date of issue;
- each Option shall entitle Charles Michael Tarbey or his nominee to acquire one share in the capital of the Company;
- each Option may be exercised by delivering to the registered office of the Company a notice in writing during the period referred to above stating the intention of Charles Michael Tarbey or his nominee to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining;
- all shares issued on exercise of the Options will rank *pari passu* in all respects with the Company's then issued shares. These Options will be unlisted; and
- the Options are not transferable.

Should all of the Options be exercised, the Company will raise a total of \$900,000. The options were independently valued at \$531,000 by Leadenhall VRG Pty Limited on 21 December 2009.

Notes to the Financial Statements

2. Adoption of new and revised accounting standards

In the current year, the consolidated Group has adopted all of the new and revised Accounting Standard and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to its operations and effective for the current annual reporting period. The Directors are in the process of assessing the impact of the adoption of these new and revised Standards and Interpretations

Standards affecting presentation and disclosure

Amendments to AASB 7 'Financial Instruments: Disclosure	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans
Amendments to AASB 101 'Presentation of Financial Statements'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
AASB 1054 'Australian Additional Disclosures' and AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project'	AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosure requirements that are in addition to IFRSs in areas such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and the reconciliation of net operating cash flow to profit (loss). AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The Standard deletes various Australian-specific guidance and disclosures from other Standards (Australian-specific disclosures retained are now contained in AASB 1054), and aligns the wording used to that adopted in IFRSs.
AASB 124 'Related Party Disclosures' (revised December 2009)	AASB 124 (revised December 2009) has been revised on the following two aspects: (a) AASB 124 (revised December 2009) has changed the definition of a related party and (b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

Notes to the Financial Statements

2. Adoption of new and revised accounting standards (continued)

Standards and Interpretations on issue not yet adopted

At the date of authorisation of the financial report, a number of Standards and Interpretations had been issued but were not yet effective. Initial application of the following Standards and Interpretations is not anticipated to have a material financial effect on the financial report of the consolidated Group and the Company:

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments, AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosures of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011)'	1 January 2013	30 June 2014
AASB 128 'Investment in Associates and Joint Ventures (2011)'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2010-8 'Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets'	1 January 2012	30 June 2013
AASB 2011 -4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011 -7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement standards'	1 January 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	1 January 2014	30 June 2015
Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	1 January 2013	30 June 2014
Mandatory Effective Date of IFRS 9 and Transition Disclosures (Amendments to IFRS 9 and IFRS 7).	1 January 2015	30 June 2016

3. Contingent assets and liabilities

The directors are not aware of any material contingent assets or liabilities which may exist at 30 June 2012.

4. Revenue

	Year ended 30/06/12 \$'000	Year ended 30/06/11 \$'000
Discontinued Operations		
Rendering of service	5,799	13,970
Profit on disposal of non-current assets	4,661	-
	10,460	13,970
Continuing Operations		
Interest revenue - bank deposits	330	16
	330	16

Notes to the Financial Statements

5. Profit/Loss for the year before tax – individually significant items including in expenses

	Year ended 30/06/12 \$'000	Year ended 30/06/11 \$'000
Discontinued Operations		
<i>Depreciation</i>		
Plant and equipment	42	115
Leasehold improvements	26	70
<i>Total depreciation</i>	68	185
<i>Amortisation</i>		
Property rights	1,388	2,888
<i>Total amortisation</i>	1,388	2,888
Total depreciation and amortisation	1,456	3,073
<i>Employee benefits expense</i>		
Defined contribution plans	243	562
Other salary and wages	3,014	6,975
	3,257	7,537
<i>Individually significant items included in expenses</i>		
Impairment of goodwill (Note 14)	-	375
Continuing operations		
<i>Finance costs – at amortised cost</i>		
Interest - bank overdrafts and loans	166	398
Finance costs expensed	166	398
<i>Impairment of receivables (Note 11)</i>	230	-

Notes to the Financial Statements

6. Income tax benefit

	Year ended 30/06/12 \$'000	Year ended 30/06/11 \$'000
Income tax expense/(benefit)		
Current tax	(576)	576
Deferred tax	1,585	(1,585)
Total income tax expense/(benefit)	1,009	(1,009)
The income tax benefit for the year can be reconciled to the accounting profit as follows:		
Profit/(loss) before income tax	3,601	(533)
Income tax (benefit) calculated at 30%	1,080	(160)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impairment losses	69	113
Non deductible amortisation	417	866
Non assessable(gains)/losses on sale of assets	(1,387)	-
Capital losses previously unbooked now utilised	-	(219)
Other net deductible items	(305)	(24)
Deferred tax asset not recognised for current year tax losses	126	-
Income tax payable	-	576
Tax losses recorded as a deferred tax asset concerning the current financial year result	-	(576)
Tax losses recognised as a deferred tax asset expected to be recouped in future financial years	-	(713)
Temporary differences recorded as a deferred tax asset	-	(296)
Total deferred tax asset	-	1,585 ¹
Derecognition of income tax payable	(576)	-
Derecognition of deferred tax asset	1,585	-
Income tax expense/(benefit)	1,009	(1,009)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate. Refer to Note 1(e) for Tax Consolidation accounting policy.

Revenue tax losses of \$20.519 million (2011: \$20.100 million) with a tax effect @ 30% of 6.156 million (2011: \$6.030 million) have not been brought to account. Capital losses of \$13.054 million (2011: \$17.715 million) with a tax effect @ 30% of \$3.916 million (2011: \$5.314 million) have not been brought to account.

¹ Comprises

Item	\$000
Doubtful debts	58
Employee entitlements	510
Accruals	441
Other	(23)
Tax losses	4,297
Total	5,283
Deferred tax asset @30%	1,585

Notes to the Financial Statements

7. Key management personnel

Names and position held by key management personnel (KMP) in office at any time during the financial year are:

Key Management Person	Position
Mr. Vaughan Webber	Non - Executive Chairman
Mr. Colin Cowden	Non - Executive Director
Mr. Hugh Robertson	Non - Executive Director
Mr. Nigel Sharp	Non - Executive Director)
Mr. Charles Tarbey	Executive Director (resigned 23 December 2011)
Mr. Ron Hollands	Chief Financial Officer
Ms. Lisa Campbell	Commercial Operations Manager (KMP until 23 December 2011)
Mr. Richard Kemp	State Manager (KMP until 23 December 2011)
Mrs. Melanie Carey	State Manager (KMP until 23 December 2011)
Mrs. Valarie Stamp	Manager – Property Management (KMP until 23 December 2011)

KMP Compensation¹

	Year ended 30/06/12 \$	Year ended 30/06/11 \$
Short Term Employee Benefits	695,688	813,709
Post Employment Benefits	25,554	45,612
Termination Benefits	-	-
Share based payment	-	-
	721,242	859,321

Employee share plan options

KMP Option details

There were no shares granted as compensation during the 2012 financial year (2011: nil). Charles Tarbey held 15,000,000 options at 30 June 2012 (2011: 15,000,000). As at 30 June 2012, the balance of Options vested was 15,000,000 (2011: 15,000,000). Refer Note 22 (b).

All share options issued to directors and executives are made in accordance with the provisions of either the Executive Share Option Plan or the Employee Share Plan. During the 2012 (2011: Nil) financial year, no options were exercised by directors or executives. Further details of the option plans are contained in Note 22 to the financial statements.

¹ KMP remuneration has been included in the Remuneration Report section of the Directors Report.

Notes to the Financial Statements

7. Key management personnel (continued)

Directors and key management personnel equity holdings

Fully paid ordinary shares of Wentworth Holdings Limited - 2012

	Balance at 1 July 2011 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 30 June 2012 No.	Balance held nominally No.
Directors						
Mr. Vaughan Webber	216,424	-	-	-	216,424	216,424
Mr. Colin Cowden	5,982,009	-	-	-	5,982,009	-
Mr. Hugh Robertson	8,910,329	-	-	(2,381,184)	6,529,145	-
Mr. Nigel Sharp	5,380,724	-	-	-	5,380,724	-
Mr. Charles Tarbey	16,716,165	-	-	-	16,716,165	-
Executives						
Mr. Ron Hollands	434,744	-	-	-	434,744	-
Ms. Lisa Campbell	40,000	-	-	-	40,000	40,000
Mrs. Valerie Stamp	30,667	-	-	-	30,667	30,667
Mrs. Melanie Carey	-	-	-	-	-	-
Mr. Richard Kemp	-	-	-	-	-	-

Fully paid ordinary shares of Wentworth Holdings Limited - 2011

	Balance at 1 July 2010 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 30 June 2011 No.	Balance held nominally No.
Directors						
Mr. Vaughan Webber	216,424	-	-	-	216,424	216,424
Mr. Colin Cowden	5,982,009	-	-	-	5,982,009	-
Mr. Hugh Robertson	9,460,329	-	-	(550,000)	8,910,329	-
Mr. Nigel Sharp	-	-	-	5,380,724	5,380,724	-
Mr. Charles Tarbey	16,716,165	-	-	-	16,716,165	-
Executives						
Ms. Lisa Campbell	40,000	-	-	-	40,000	40,000
Mrs. Melanie Carey	-	-	-	-	-	-
Mrs. Rosemary McKechnie	-	-	-	-	-	-
Mr. Ron Hollands	434,744	-	-	-	434,744	-
Mrs. Valerie Stamp	30,667	-	-	-	30,667	30,667

Loans to and from directors and other KMP

There were no loans to and from director related entities and KMP as at reporting date. At 30 June 2012 however, there were amounts due (\$0.886 million) by an entity associated with a former director (Charles Tarbey). Refer Notes 11 and 33 for further details.

In 2011 details of aggregate loans from director related entities and key management personnel were as follows:

2011	Balance at 30 June 2010	Amounts advanced / (paid)	Interest charged	Balance 30 June 2011
	\$	\$	\$	\$
Directors				
Director related entity (Mr. Charles Tarbey)	473,000	(473,000)	-	-
Total	473,000	(473,000)	-	-

Notes to the Financial Statements

8. Auditor's remuneration

	Year ended 30/06/12	Year ended 30/06/11
	\$	\$
Auditor of the parent entity – Audit services		
Audit or review of the financial reports	80,000	119,000
Non-audit services		
Taxation services	12,000	12,000
Total remuneration for assurance and non-assurance services to the auditor of the entity	92,000	131,000

The auditor of the parent entity is Deloitte Touche Tohmatsu.

9. Earnings per share

a. Basic earnings per share

	Year ended 30/06/12	Year ended 30/06/11
	Cents per share	Cents per share
From continuing operations	(0.90)	0.15
From Discontinued operations	2.05	0.06
Total basic earnings per share	1.15	0.21

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Year ended 30/06/12	Year ended 30/06/11
	\$'000	\$'000
Earnings		
From continuing operations	(2,029)	339
From Discontinued operations	4,621	137
Total earnings	2,592	476
	No.	No.
Weighted average number of ordinary shares	225,963,382	230,273,706

b. Diluted earnings per share

	Year ended 30/06/12	Year ended 30/06/11
	Cents per share	Cents per share
From continuing operations	(0.90)	0.15
From Discontinued operations	2.05	0.06
Total diluted earnings per share	1.15	0.21

Earnings and weighted average no. of ordinary and potential ordinary shares used in the calculation of diluted earnings/share are:

	Year ended 30/06/12	Year ended 30/06/11
	\$'000	\$'000
Earnings		
From continuing operations	(2,029)	339
From Discontinued operations	4,621	137
Total earnings	2,592	476
	No.	No.
Weighted average number of ordinary shares and potential ordinary shares	225,963,382	230,273,706

- Options are considered to be potential ordinary shares and are excluded from the weighted average no. of ordinary shares used in the calculation of basic earnings/share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings/share.
- The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings/share:
 - Options 2012: nil (2011: 287,250)
 - Share options 2012: 15,000,000 (2011: 15,000,000)

Notes to the Financial Statements

10. Cash and cash equivalents

	30/06/12 \$'000	30/06/11 \$'000
Cash at bank	165	96
Cash on hand	-	5
Short term deposits	13,772	639
	<u>13,937</u>	<u>740</u>

Cash and cash equivalents have a weighted average effective interest rate of 5.18% (2011: 3.78%). Cash on hand is non interest bearing.

11. Trade and other receivables at amortised cost

Current

	30/06/12 \$'000	30/06/11 \$'000
Trade receivables (i)	-	313
Allowance for doubtful debts	-	(58)
	-	255
Other receivables (ii)	1,010	-
Allowance for doubtful debts	(230)	-
	<u>780</u>	<u>255</u>

(i) The average credit period on rendering of services is approximately 30 days (2011: 30 days). No interest is charged on trade receivables. The consolidated Group has provided fully for non-recoverable amounts. Included in trade receivables are debtors with a carrying amount of \$nil (2011: \$0.019 million) which are past due at the reporting date which have not been provided for as the amounts are still considered recoverable. The consolidated Group does not hold any collateral over these balances.

(ii) The average age of other receivables is 39 days (2011: nil days). Other receivables at 30 June 2012 includes deferred consideration (\$0.420 million, net of impairment of \$0.230 million- 2011: \$nil), other amounts (\$0.236 million) due per Share Sale Agreements between Wentworth Holdings Limited and Combined Rentals Pty Limited and Charles Tarbey ('Purchaser') and term deposit interest and other sundry amounts receivable (\$0.124 million). Refer also to Notes 7 and 33.

Included in the above mentioned other amounts due are items with a carrying amount of \$0.223 million (2011: \$nil) which are past due at the reporting date which have not been provided for as the amounts are still considered recoverable. The consolidated Group does not hold any collateral over these balances

Under the Share Sale Agreements, the Purchaser must make regular repayments (at least quarterly or as agreed between the parties) of all amounts due. Unpaid amounts due are interest bearing at a rate of interest of 4.50% per annum and 7.50% per annum when in default, payable quarterly. Interest of \$0.037 million (2011: \$nil) is included in the above balance.

Ageing of past due but not impaired

	30/06/12 \$'000	30/06/11 \$'000
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	12
91 to 120 days	25	2
Over 120 days	198	5
Total	<u>223</u>	<u>19</u>

Movement in the allowance for doubtful debts

Balance at the beginning of the year	(58)	(33)
Amounts written off during the year as uncollectible	-	-
Impairment losses recognised on receivables	-	(25)
Transferred as part of rent roll divestment	58	-
Balance at the end of the year	<u>-</u>	<u>(58)</u>

Notes to the Financial Statements

11. Trade and other receivables at amortised cost (continued)

Recoverability of a trade receivable is determined by considering change in the credit quality from the date credit was granted. Credit risk concentration is limited as the customer base is large and unrelated. Accordingly, the directors believe no credit provision required in excess of the allowance for doubtful debts.

Ageing of impaired trade receivable

More than 120 days	-	58
--------------------	---	----

12. Other current assets

	30/06/12 \$'000	30/06/11 \$'000
Deposits	-	127
Available for sale investments (i)	-	159
Prepayments	174	39
	174	325

(i) Available for sale investments were shares in RUN Corporation Limited (RUN), recorded at fair value (original cost: \$0.218 million). Circa 3% of RUN's ordinary share capital of RUN, a company involved in property management. Refer also to Note 29 (i).

13. Plant and equipment

	30/06/12 \$'000	30/06/11 \$'000
Plant and equipment		
At cost	-	1,255
Accumulated depreciation	-	(1,090)
Written down value	-	165
Leasehold improvements		
At cost	-	349
Accumulated depreciation	-	(284)
Written down value	-	65
Total		
At cost	-	1,604
Accumulated depreciation	-	(1,374)
Written down value	-	230
Plant and equipment reconciliation		
Carrying amount at beginning of financial year	165	240
Additions	31	46
Disposals (2012: rent roll divestment)	(154)	(6)
Depreciation expense	(42)	(115)
Carrying amount at end of financial year	-	165
Leasehold improvements reconciliation		
Carrying amount at beginning of financial year	65	99
Additions	-	36
Disposals (2012: rent roll divestment)	(39)	
Depreciation expense	(26)	(70)
Carrying amount at end of financial year	-	65
Total reconciliation		
Carrying amount at beginning of financial year	230	339
Additions	31	83
Disposals (2012: rent roll divestment)	(193)	(7)
Depreciation expense	(68)	(185)
Carrying amount at end of financial year	-	230
Aggregate depreciation expensed during the year		
Plant and equipment	42	115
Leasehold improvements	26	70
Total depreciation	68	185

Notes to the Financial Statements

14. Goodwill

	30/06/12 \$'000	30/06/11 \$'000
Goodwill	-	13,264
Less accumulated impairment losses	-	(3,463)
	-	9,801
Reconciliation		
Carrying amount at beginning of financial year	9,801	10,176
Impairment expense charged to profit/(loss) (i)	-	(375)
Disposals (2012: rent roll divestment)	(9,801)	
Carrying amount at end of financial year	-	9,801

(i) Impairment testing of Goodwill (and Other Intangible Assets)

During the financial year, the consolidated Group assessed the recoverable amount of goodwill (and Other Intangible Assets), and determined that goodwill, which is wholly associated with the Group's real estate business, was impaired by \$nil (2011: \$0.375 million).

The recoverable amount of the property management operations was assessed by reference to the fair value less costs to sell for each cash-generating unit (CGU). The fair value of the property management operations for 30 June 2011 has been estimated using:

- annualised commission income as at 30 June 2011; and
- a multiple for each business.

Annualised commission income was used to estimate the fair value of each CGU as it reflects the expected future commission income at balance date based on the conditions of the market and the CGU at the time of impairment testing.

The multiples used to calculate fair value were obtained from the following sources:

- Management's estimates (determined based on the multiples used to originally acquire the respective businesses, allowing for any changes that have occurred in each business and/or the market subsequently); and
- Management's knowledge of potential offers received for the assets of the consolidated Group and the multiples being offered.

Estimated selling costs include professional fees of nil (2011: 0.5%) of the sales proceeds, based on industry standards and historical experience.

No other assets in the CGUs, subject to impairment, were impaired.

Goodwill has been allocated (post impairment) to each CGU for impairment testing purposes on the following bases:

Cash-Generating Unit	30/06/12 \$'000	30/06/11 \$'000
Brighton (Victoria)	-	2,984
Albert Park -previously St Kilda (Victoria)	-	2,224
Frankston Commercial (Victoria)	-	981
Frankston Residential (Victoria)	-	1,099
New South Wales	-	1,316
Western Australia	-	1,197
	-	9,801

Notes to the Financial Statements

15. Other intangible assets

	30/06/12 \$'000	30/06/11 \$'000
Property rights		
At cost	-	21,234
Accumulated amortisation	-	(15,231)
	-	6,003
Property rights reconciliation		
Carrying amounts at beginning of financial year	6,003	8,966
Adjustment to purchase price of acquisition due to retention	-	(75)
Disposals (2012: rent roll divestment)	(4,615)	-
Amortisation expense (i)	(1,388)	(2,888)
Carrying amount at end of financial year	-	6,003

i. Amortisation

A useful life of 7 years (2011: 7 years) was used in the calculation of amortisation for property management rights (stand alone rent rolls & rent rolls and sales operations acquired). Intangible assets are amortised on a straight line basis over their useful lives which have been estimated based upon the expected attrition rates of the property management rights. Attrition rates are based on historical experience, future expectations and by reference to business models prepared by an independent valuer.

Intangible assets pledged as security for liabilities

All property management rights have been pledged as security against borrowings of the consolidated Group.

Significant intangible assets

The consolidated Group holds no property management rights as at 30 June 2012 (2011: 8,291 properties), acquired as part of business combinations. The carrying amount of these property management rights after amortisation was \$nil (2011: \$6.003 million).

Contractual commitments to acquire intangible assets

There were no contractual commitments to acquire any intangible assets as at 30 June 2012.

Impairment testing of Other Intangible Assets

Details of impairment testing are provided at Note 14.

16. Other financial assets

	30/06/12 \$'000	30/06/11 \$'000
Unlisted investment at cost (shares in other corporations)		
Opening balance	4	4
Disposals (2012: rent roll divestment)	(4)	-
	-	4

Notes to the Financial Statements

17. Controlled entities

			2012	2011
	Country	Class of share	Holding %	Holding %
Parent entity				
Wentworth Holdings Limited	Australia			
Subsidiary				
Wentworth Services Pty Ltd*	Australia	Ord	0	100
Wentworth Mutual Investment Management Pty Ltd*	Australia	Ord	0	100
Aliquot Property Management Pty Ltd*	Australia	Ord	0	100
Key 2 Rental Management Limited*	Australia	Ord	0	100
PPRE Pty Ltd*	Australia	Ord	0	100
Compliance Admin Services Pty Ltd*	Australia	Ord	0	100
Wentworth Beach Houses & Country Homes Pty Ltd (in liquidation)	Australia	Ord	100	100
Grandview Asset Pty Limited*	Australia	Ord	0	100
Wentworth Property Management Pty Ltd*	Australia	Ord	0	100
Wentworth Property Management QLD Pty Ltd (deregistered)	Australia	Ord	0	100
Wentworth Property Management Vic Pty Ltd*	Australia	Ord	0	100
Wentworth Management Services (Vic) Pty Ltd (in liquidation)	Australia	Ord	100	100
Wentworth Management Services (NSW) Pty Ltd*	Australia	Ord	0	100
Wentworth Management Rights Pty Ltd (deregistered)	Australia	Ord	0	100
Wentworth Group Properties Pty Ltd (deregistered)	Australia	Ord	0	100
Amrites Pty Ltd (in liquidation)	Australia	Ord	100	100
NSW Rights Operators Pty Ltd (in liquidation)	Australia	Ord	100	100
QLD Rights Operators Pty Ltd (in liquidation)	Australia	Ord	100	100
Wentworth Trinity Links Pty Ltd (in liquidation)	Australia	Ord	100	100
Wentworth Bridgewater Pty Ltd (in liquidation)	Australia	Ord	100	100
Wentworth Regal Pty Ltd (in liquidation)	Australia	Ord	100	100
Wentworth Horton Pty Ltd (in liquidation)	Australia	Ord	100	100
Wentworth Real Estate Pty Ltd*	Australia	Ord	0	100
Wentworth Real Estate QLD (SE) Pty Ltd*	Australia	Ord	0	100
Ansham Holdings Pty Ltd (deregistered)	Australia	Ord	0	100
Wentworth Real Estate VIC Pty Ltd (in liquidation)	Australia	Ord	100	100
Ward Trew & Laver Pty Ltd ATF Ward Trew & Laver Unit Trust*	Australia	Ord	0	100
Budster Pty Ltd ATF Budster Unit Trust*	Australia	Ord	0	100
Flannagan's Real Estate Pty Ltd (in liquidation)	Australia	Ord	100	100
Wilson Pride Ellison Hearnden Pty Ltd ATF Wilson Pride Ellison Hearnden Unit Trust*	Australia	Ord	0	100
John Crowders & Sons Pty Ltd ATF Crowder & Crowder Unit Trust*	Australia	Ord	0	100
Pabfram Pty Ltd*	Australia	Ord	0	100
Wentworth Franchisors Pty Ltd	Australia	Ord	100	100
Wentworth Holidays Pty Ltd	Australia	Ord	100	100

Note:

1. All entities are part of the tax consolidated Group.
- 2.* Disposed of as part of rent roll divestment.
3. Wentworth Holdings Limited is the head entity within the tax consolidated Group.
4. As of 1 July 2003, Wentworth Holdings Limited (the head entity) and its 100% owned subsidiaries have formed a consolidated Group for Australian taxation purposes. Wentworth Holdings Limited and the 100% owned subsidiaries in the tax consolidated Group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if the entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right.

Notes to the Financial Statements

18. Trade and other payables at amortised cost

	30/06/12 \$'000	30/06/11 \$'000
Trade payables (i)	-	111
Accrued expenses (ii)	157	391
Other payables	-	294
	157	796

- (i) The average credit period on purchases of certain goods and services from the Group's suppliers is 30 days (2011: 30 days). The consolidated Group has financial risk management policies in place to ensure that all payables are paid within commercially accepted terms.
- (ii) Includes \$nil (2011: \$0.177 million) onerous premises lease contracts and \$nil (2011: \$0.053 million) payable to Century 21 franchisees for property management authorities provided to the consolidated Group.

Onerous premises lease contracts analysis

Opening balance	177	269
Amounts used (2012: rent roll divestment)	(177)	(92)
Closing balance	-	177

19. Borrowings at amortised cost

	30/06/12 \$'000	30/06/11 \$'000
Current liabilities (secured)		
Real estate fully drawn advance – IT Facility (i)	-	48
Real estate fully drawn advance (ii)	-	600
Total current borrowings	-	648
Non-current liabilities (secured)		
Real estate fully drawn advance – IT Facility (i)	-	49
Real estate fully drawn advance (ii)	-	2,993
Total non-current borrowings	-	3,042

a. Notes to borrowings

- (i) Real estate fully drawn advance – IT facility
The consolidated Group has a real estate fully drawn advance - IT facility of \$nil (2011: \$0.097 million), secured by fixed and floating charge over the assets of the consolidated Group. The current weighted average interest rate on the facility is nil% per annum (2011: 9.47%). This facility was for 3 years, expiring 12 June 2013 but was repaid in full on 23 December 2011.
- (ii) Real estate fully drawn advance
The consolidated Group has a real estate fully drawn advance of \$nil (2011: \$3.593 million), secured by a fixed and floating charge over the assets of the consolidated Group. The current weighted average interest rate on the facility is nil% (2010: 9.47% per annum). This facility was for 5 years and expiring 12 March 2015 but was repaid in full on 23 December 2011.

b. Finance arrangements

Credit standby arrangements

Total facilities:

Real estate fully drawn Advance – IT	-	97
Real estate fully drawn advance	-	3,593

Used at balance date:

Real estate fully drawn Advance – IT	-	97
Real estate fully drawn advance	-	3,593

Unused at balance date:

Real estate fully drawn Advance – IT	-	-
Real estate fully drawn advance	-	-

Notes to the Financial Statements

20. Provisions

	30/06/12 \$'000	30/06/11 \$'000
Current		
Dividend – refer Note 31	11	1,132
Employee benefits (i)	-	430
	11	1,562
Non-current		
Employee benefits (i)	-	86
	-	86

Provision analysis

Opening balance	1,648	1,732
Additional provisions	-	1,627
Amounts used (2012: rent roll divestment)	(1,648)	(1,711)
Closing balance	-	1,648

(i) A provision has been recognised for employee entitlements concerning annual leave and long service leave. In calculating the present value of future cash flows concerning long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criterion concerning employee benefits has been included in Note 1 (o).

21. Issued capital

a. Issued capital

	30/06/12 \$'000	30/06/11 \$'000
223,802,639 fully paid ordinary shares (2011: 226,300,817)	78,602	78,763

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. These shares have no par value. Ordinary shares entitle their holder to one vote, either in person or by proxy, at meetings of the Company.

b. Movements in issued capital

Details	2012		2011	
	No.	\$'000	No.	\$'000
Balance at beginning of the financial year	226,300,817	78,763	236,503,068	79,735
Shares Issued:				
Share based remuneration (i) – see Note 23	-	-	2,500,000	138
Treasury shares – employee share plan (iii)	287,250	-	-	-
Other	-	-	1,053	-
Shares cancelled:				
Share buy back (ii)	(2,785,428)	(159)	(12,703,304)	(1,085)
Share buy back costs (ii)	-	(2)	-	(25)
Balance at the end of the financial year	223,802,639	78,602	226,300,817	78,763
Treasury shares – employee share plan (iii)	-	-	287,250	-
Total shares on issue	223,802,639	-	226,588,067	-

(i) In 2011 a share based payment 2,500,000 shares at a cost of \$0.138 million was made to an entity related to Mr Charles Tarbey, as resolved at the company's 2008 Annual General Meeting (AGM) on 19 December 2008.

(ii) On 19 October 2010 (approved by shareholders at the 2010 AGM), the company announced its intention to undertake a further on market share buy back. As part of the company's capital management program, the company's intention was to buy back up to 10% of its shares over a 12 month period. At 30 June 2011, 4,390,827 shares had been bought back under this programme at a cost of \$0.342 million. This buy back programme was completed 19 October 2011 and 4,390,827 shares had been bought back under this programme at a cost of \$0.342 million. On 21 October 2011, the company announced its intention to undertake a further on market share buy back. As part of the company's capital management program, the company's intention is to buy back up to 10% of its shares over a 12 month period. At 30 June 2012, 2,785 million shares had been bought back under this programme at a cost of \$0.161 million.

Notes to the Financial Statements

b. Movements in issued capital (continued)

(iii) Shares issued to plan members are subject to a trading lock of three years from the date the shares are issued during which time the shares may not be sold or encumbered or otherwise dealt with. The shares vest after the expiry of the trading lock period. Employee Share Plan shares are considered to be in substance options due to the existence of the trading lock (refer note 22(b)).

c. Share options

Employee share plan

The movement in share options on issue during the year ended 30 June 2012:

Type of options	Exercise price (cents)	Trading lock expiry date	Options at beginning No.	Option issued during year No.	Options exercised No.	Options lapsed No.	Options on issue at end of year No.
1	1.26	13/05/2006	6,667	-	6,667	-	-
2	1.80	1/07/2006	50,000	-	50,000	-	-
3	2.62	19/02/2008	33,333	-	33,333	-	-
4	3.00	30/06/2008	11,916	-	11,916	-	-
5	2.37	31/12/2008	2,000	-	2,000	-	-
6	3.00	4/11/2009	166,667	-	166,667	-	-
7	3.00	12/12/2009	16,667	-	16,667	-	-
Total			287,250	-	287,250	-	-

The movement in share options on issue during the year ended 30 June 2011:

Type of options	Exercise price (cents)	Trading lock expiry date	Options at beginning No.	Option issued during year No.	Options exercised No.	Options lapsed No.	Options on issue at end of year No.
1	1.26	13/05/2006	6,667	-	-	-	6,667
2	1.80	1/07/2006	50,000	-	-	-	50,000
3	2.62	19/02/2007	33,333	-	-	-	33,333
4	3.00	30/06/2007	11,916	-	-	-	11,916
5	2.37	31/12/2007	2,000	-	-	-	2,000
6	3.00	4/11/2008	166,667	-	-	-	166,667
7	3.00	12/12/2008	16,667	-	-	-	16,667
Total			287,250	-	-	-	287,250

The abovementioned shares issued to employees are subject to a trading lock but are treated as options for accounting purposes. Refer Notes 1(u) and 22(b) for further details.

22. Executive, consultant, employee and other share option plans

The consolidated Group has a Share Option Plan for executives and consultants, a Share Plan for employees approved by shareholders at Annual General Meetings. Issues of shares or options under the plans is at the discretion of the Board to reward staff and consultants for services to the consolidated Group based on the weighted average share price over the five trading days prior to the issue date subject to regulatory requirements. The main features of the plans are set out below.

a. Executive share option plan

The Executive Share Option Plan is an ownership based remuneration scheme that covers persons who are employed by the consolidated Group or a Director of the consolidated Group and who the board determines is eligible to participate in the Options Scheme. Refer to Note 1(u) for further details.

b. Employee share plan

The Employee Share Plan covers staff who are either permanent full-time or permanent part-time employees who have served the Company for a minimum aggregate period (whether continuous or otherwise) of six months, or otherwise determined by the Executive Director to be eligible to participate in the Plan. Shares are issued to plan members are subject to a trading lock of three years from the date the shares are issued during which time the shares may not be sold or encumbered or otherwise dealt with. The shares vest after the expiry of the trading lock period. Employee Share Plan shares are considered to be in substance options due to the existence of the trading lock. The fair value of these shares is determined at grant date with reference to the Black and Scholes Option Pricing Formula and was expensed over the vesting period.

Details	2012		2011	
	No.	\$'000	No.	\$'000
Balance at beginning of the financial year	287,250	233	287,250	233
Trading lock removed in year	(287,250)	(233)	-	-
Balance at end of the financial year	-	-	287,250	233

Notes to the Financial Statements

23. Reserves

	30/06/12 \$'000	30/06/11 \$'000
Share option reserve – refer Note 1 (u)	531	531
Movements		
Balance at the beginning of the financial year	531	669
Transfer to equity -refer Note 21(b)	-	(138)
Balance at the end of the financial year	531	531
Financial asset revaluation reserve	-	(59)
Movements		
Balance at the beginning of the financial year	(59)	218
Disposal of available for sale investments	59	(218)
Revaluation of available for sale investment to fair value	-	(59)
Balance at the end of the financial year	-	(59)
Total reserves	531	472

24. Accumulated losses

Movements in accumulated losses were as follows:

	30/06/12 \$'000	30/06/11 \$'000
Accumulated losses	(64,180)	(67,002)
Balance at the beginning of the financial year	(67,002)	(66,366)
Net profit/(loss) for the year	2,592	476
Dividend	-	(1,112)
Balance at the end of the financial year	(64,410)	(67,002)

25. Capital and leasing commitments

Lease expenditure commitments

Non-cancellable operating lease commitments

	30/06/12 \$'000	30/06/11 \$'000
Minimum future lease payments payable:		
Not later than one year	-	806
Later than one year and not later than five years	-	769
Later than five years	-	-
Aggregate lease expenditure contracted at reporting date	-	1,575

The operating leases relate to office facilities and plant and equipment in Victoria, West Australia, New South Wales and Queensland with variable lease terms of 1 to 4 years. The leases have varying review clause and renewal options. Responsibility for all operating leases was transferred from the consolidated Group as part of the rent roll divestment transaction.

Capital commitments

The consolidated Group has not entered into any significant capital commitments contracts as at 30 June 2012.

Notes to the Financial Statements

26. Business and geographical segments

The Group has adopted AASB 8 “Operating Segments” and AASB 2007-3 “Amendments to Australian Accounting Standards” arising from AASB 8 with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group’s Chief operating decision maker to allocate resources to the segment and to assess its performance. The reportable segments under AASB 8 have been identified as follows:

Reportable Segment
New South Wales
Western Australia
Victoria – Albert Park
Victoria – Bayside
Victoria – Frankston Commercial
Victoria – Frankston Residential

Up to 23 December 2011, all locations provided property management services (except Frankston Commercial and New South Wales - provided real estate sales services also). On 23 December 2011, the company divested its main undertaking to Combined Rentals Pty Limited, an entity associated with Mr Charles Tarbey for \$18.704 million.

The accounting policies of the reportable segments are the same as the Group’s accounting policies.

Notes to the Financial Statements

26. Business and geographical segments (continued)

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

	Segment revenue ¹		Segment profit/(loss)	
	Year ended		Year ended	
	30/06/12	30/06/11	30/06/12	30/06/11
	\$'000	\$'000	\$'000	\$'000
Discontinued operations				
<i>Operating segments</i>				
New South Wales	603	1,406	(14)	144
Western Australia	2,579	5,748	186	486
Victoria - Albert Park	648	1,595	90	355
Victoria - Bayside	863	1,910	126	113
Victoria - Frankston Commercial	501	1,239	47	(44)
Victoria - Frankston Residential	602	1,321	52	124
Total operating segments	5,796	13,219	487	1,178
Unallocated - Corporate ²	4,664	751	4,134	(1,041)
Total	10,460	13,970	4,621	137
Continuing operations				
<i>Operating segments</i>				
New South Wales	-	-	-	-
Western Australia	-	-	-	-
Victoria - Albert Park	-	-	-	-
Victoria - Bayside	-	-	-	-
Victoria - Frankston Commercial	-	-	-	-
Victoria - Frankston Residential	-	-	-	-
Total operating segments	-	-	-	-
Unallocated - Corporate	442	16	(2,029)	339
Total continuing and Discontinued operations	10,902	13,986	2,592	476

¹ The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the period.

Segment result represents the profit/loss earned by each segment without allocation of corporate costs, interest income and income tax. This is the measure reported to the Chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

² Unallocated corporate is the aggregation of the Group's central administration costs that cannot be directly attributed to an individual operating segment. Discontinued operations includes a gain on sale of \$4.661M in FY12.

Notes to the Financial Statements

26. Business and geographical segments (continued)

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

Segment Assets	30/06/12	30/06/11
	\$'000	\$'000
Operating segments		
New South Wales	-	2,454
Western Australia	-	4,527
Victoria - Albert Park	-	2,770
Victoria - Bayside	-	3,672
Victoria - Frankston Commercial	-	1,184
Victoria - Frankston Residential	-	1,659
Total operating segments	-	16,266
Unallocated - Corporate	15,121	2,677
Total assets	15,121	18,943

Segment liabilities	30/06/12	30/06/11
	\$'000	\$'000
Operating segments		
New South Wales	-	52
Western Australia	-	228
Victoria - Albert Park	-	57
Victoria - Bayside	-	56
Victoria - Frankston Commercial	-	189
Victoria - Frankston Residential	-	38
Total operating segments	-	620
Unallocated - Corporate	168	6,090
Total liabilities	168	6,710

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than available for sale investments, cash, some receivables and other current assets. Goodwill, plant and equipment and rent roll assets are allocated by reportable segments to which they relate.
- All liabilities are allocated to reportable segments other than the provision for dividend, borrowings, some employee entitlements and trade and other payables.

	Depreciation and amortisation		Addition to non-current assets	
	Year ended		Year ended	
	30/06/12	30/06/11	30/06/12	30/06/11
	\$'000	\$'000	\$'000	\$'000
Operating segments				
New South Wales	190	395	-	7
Western Australia	866	1,824	13	40
Victoria - Albert Park	101	210	-	-
Victoria - Bayside	122	255	6	16
Victoria - Frankston Commercial	40	100	2	1
Victoria - Frankston Residential	105	217	10	2
Total operating segments	1424	3,001	31	66
Unallocated - Corporate	32	72	-	17
Total	1,456	3,073	31	83

Notes to the Financial Statements

27. Notes to the Cash Flow Statement

Reconciliation of operating profit to cash flows from operating activities

	Year ended 30/06/12 \$'000	Year ended 30/06/11 \$'000
Profit for the year	2,592	476
<i>Non-cash profit and loss items:</i>		
Depreciation and amortisation expense	1,456	3,073
(Gain) on disposal of assets	(4,622)	(725)
Employee and other share-based payments	-	-
Non cash finance costs	-	-
Impairment of goodwill	-	375
Impairment of receivables	230	25
<i>Changes in net assets and liabilities net of effects from acquisitions and disposals:</i>		
(Increase) / decrease in assets:		
Trade and other receivables	(80)	135
Other assets	(142)	5
Deferred tax assets	1,585	(1,585)
Increase / (decrease) in liabilities:		
Trade and other payables	(176)	(372)
Income tax payable	(576)	576
Provisions	(85)	(30)
Net cash provided by operating activities	182	1,953

28. Related party disclosures

a. Ultimate entity

The ultimate parent Company in the consolidated Group is Wentworth Holdings Limited.

b. Loan disclosures

There are no Director and shareholder related entity loans in existence as at reporting date.

c. Transactions with key management personnel

Other related parties include:

Bell Potter Securities Limited – ‘Bell Potter’ (Hugh Robertson)

During the financial year, the consolidated Group paid broking and consulting fees to Bell Potter totaling \$504 (2011: \$30,434).

Investorfirst Limited – ‘Investorfirst’ (Hugh Robertson)

During the financial year, the consolidated Group paid broking and consulting fees to Investorfirst totaling \$1,618 (2011: \$nil).

Eastern Podiatry Clinic Pty Limited (Vaughan Webber)

During the financial year, the consolidated Group paid consulting fees to Eastern Podiatry Clinic Pty. Ltd. totaling \$67,500 (2011: \$nil).

New Hollands Services Pty Limited (Ron Hollands)

During the financial year, the consolidated Group paid consulting fees to New Hollands Services Pty. Ltd. totaling \$211,744 (2011: \$206,903).

Ticudi Pty Limited (Charles Tarbey)

During the financial year, the consolidated Group paid Ticudi Pty Limited consulting fees totaling \$200,000 (2011: \$100,000).

In the 2010 financial year, the Century 21 City Apartments rent roll was purchased by the consolidated Group from Ticudi Pty Limited for \$473,000 (inclusive of GST) using vendor finance. These loan funds were provided interest free and unsecured and were repaid in the year ended 30 June 2011 – refer Note 7. This rent roll was independently valued by Leadenhall VRG Pty Limited.

Notes to the Financial Statements

28. Related party disclosures (continued)

Century 21 Australia Pty Limited – 'C21'¹ (Charles Tarbey)

During the 1 July 2011 to 23 December 2011, the consolidated Group had the following transactions with Century 21 Australia Pty Limited and/or Century 21 franchisees ('C21 franchisees');

Transactions
C21 provided use of the 'Century 21' name and intellectual property to the consolidated Group for \$nil (2011: \$nil) consideration.
The consolidated Group received referral commissions of \$163,422 (2011: \$393,690) when C21 franchisees sold properties from the consolidated Groups' rent rolls. Franchise fees of approximately \$35,573 (2011: \$85,896) were earned by C21 concerning such sales. The consolidated Group paid referral commissions of \$17,989 (2011: \$43,337) to C21 franchisees for property management authorities referred to the consolidated Group.
The consolidated Group rented premises and office equipment to C21 franchisees for \$12,248 (2011: \$29,505).
The consolidated Group rented premises and provided IT services to C21 for \$25,202 (2011: \$60,712). The consolidated Group paid C21 \$18,145 (2011: \$43,711) for training and related services.

Note: Other than disclosed above, C21 have not earned any income from the abovementioned transactions.

29. Financial instruments

a. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect to each category of financial asset and financial liability are disclosed in Note 1 to the financial statements.

The consolidated Group's principal financial instruments comprise cash, receivables, payables, bank loans and leases.

b. Capital risk management

The consolidated Group manages its capital to ensure that entities in the consolidated Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the consolidated Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in Notes 21, 23 and 24 respectively. The consolidated Group operates throughout Australia and none of the consolidated Group's entities are subject to externally imposed capital requirements.

In addition, the consolidated Group uses debt, comprising the borrowings disclosed in Note 19, to fund capital expenditure and working capital requirements.

c. Categories of financial instruments

The carrying amount of each category of financial asset and financial liability is as follows:

	30/06/12 \$'000	30/06/11 \$'000
Financial assets		
Receivables	780	255
Cash and cash equivalents	13,937	740
Available for sale financial assets	-	163
	14,717	1,158
Financial liabilities		
Amortised cost	-	4,486
	-	4,486

d. Financial risk management objectives

The consolidated Group's corporate division monitors and manages the financial risks relating to the operations of the consolidated Group. These risks include: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The consolidated Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the consolidated Group's policies approved by the Board of Directors and at this point, no approval has been given for the consolidated Group to use financial derivatives.

¹ Century 21 Australia Pty Limited ('C21') holds the Australia master franchise of Century 21 (a USA company). There are approximately 250 franchisees in Australia, paying franchise fees between 4% and 8% of the value of real estate sales made. Entities related to Mr Tarbey are the beneficial owners of C21. Mr Tarbey owns and operates 3 C21 franchises.

Notes to the Financial Statements

29. Financial instruments (continued)

e. Interest rate risk management

The consolidated Group is exposed to interest rate risk as entities in the consolidated Group borrow funds at fixed and floating interest rates. The risk is managed by a maintaining an appropriate mix between fixed and floating rate borrowings. The company and the consolidated Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

f. Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure for interest rates of non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the consolidated Group's, net profit would decrease by \$0.070 million and increase by \$0.070 million (2011: decrease by \$0.015 million and increase by \$0.015 million).

The consolidated Group's sensitivity to interest rates has decreased during the current year mainly due to the decrease in variable rate debt instruments.

The Company is exposed to interest rate movements (2011: exposed).

g. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated Group. The consolidated Group has a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers and are spread across diverse geographical areas. Credit risk, concerning real estate sales commissions and property management commissions, is limited as such funds are received from monies held in trust after settlement to the respective customer. Credit terms of 30 days are specified on these invoices and are rigorously monitored. Finally, credit risk, concerning referral fees, is limited as funds are received from monies held in trust (received after settlement of the respective property occurs).

The consolidated Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated Group's maximum exposure to credit risk.

h. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors, who have built an appropriate liquidity risk management framework for the management of the consolidated Group's short, medium and long-term funding and liquidity management requirements.

The consolidated Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturing profiles of financial assets and liabilities.

Liquidity and interest risk tables

Liquidity risk management refers to the risk that the consolidated Group will encounter difficulties in meeting obligations associated with its financial liabilities. The following table details the consolidated Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated Group can be required to pay. The table includes both interest and principal cash flows.

Financial liabilities

	Weighted average effective interest rate %	At call \$'000's	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	Total \$'000
30 June 2012							
Non-interest bearing		-	157	-	-	-	157
Variable interest rate instruments	N/A	-	-	-	-	-	-
Total		-	157	-	-	-	157
30 June 2011							
Non-interest bearing		-	438	12	121	48	623
Variable interest rate instruments	9.47%	-	-	237	712	3,871	4,820
Total		-	438	249	833	3,919	5,443

Notes to the Financial Statements

29. Financial instruments (continued)

i. Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values. The fair value of financial assets and financial liabilities are determined with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie: as prices) or indirectly (ie: derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are based on observable market data (unobservable inputs).

2012	Level 1 \$'000	Level 2 \$000	Level 3 \$'000	Total \$'000
Available-for-sale financial assets				
Listed company shares (i)	-	-	-	-
	-	-	-	-
2011	Level 1 \$'000	Level 2 \$000	Level 3 \$'000	Total \$'000
Available-for-sale financial assets				
Listed company shares (i)	159	-	-	159
	159	-	-	159

(i) Refer Note 12 for further details.

j. Price risk

The consolidated Group has an investment in marketable securities (included within available-for-sale financial assets) which provides exposure to price risk. The equity investment is publicly traded on equity exchanges.

Sensitivity analysis has been determined based on the consolidated Group's exposure to equity prices. At the reporting date, if the value of marketable securities were 5% lower/higher with all other variables constant, the consolidated Group's equity would have been \$0.007 million (2011: \$0.008 million) lower/higher due to changes in the fair value of available-for-sale financial assets.

30. General information

Wentworth Holdings Limited ('the company') is a limited company, incorporated in Australia. Its registered office and principal place of business is Level 29 55 Collins Street Melbourne Victoria, 3186.

The principal activities of Wentworth during the financial year were Real Estate Sales and Property Management in Western Australia, Victoria and New South Wales. On 23 December 2011 the company divested its main undertaking to Combined Rentals Pty Limited, an entity associated with Mr Charles Tarbey, for \$18.704 million.

On 6 August 2012, a change in the company's main undertaking to that of an investment company was approved at an Extraordinary General Meeting of shareholders.

31. Dividends

No dividend was declared concerning the year ended 30 June 2012. A 0.5 cents per share unfranked dividend totaling \$1.132 million was declared during the year ended 30 June 2011 (refer Note 20). The adjusted franking account balance as at 30 June 2012 is \$109,159 (2011: \$109,159).

32. Events after balance date

On 6 August 2012, a change in the company's main undertaking to that of an investment company was approved at an Extraordinary General Meeting of shareholders.

Notes to the Financial Statements

33. Acquisitions and Disposals of Entities and Businesses

Acquisitions

No acquisitions occurred during the year ended 30 June 2012 (2011: A rent roll was acquired for cash of \$0.473 million)

Disposals

No disposals occurred in the year ended 30 June 2011. On 23 December 2011, the company divested its main undertaking to Combined Rentals Pty Limited (associated entity of Mr Charles Tarbey) for \$18.704 million. Refer also to Notes 7 and 11. Entities disposed of were:

- Wentworth Mutual Investment Management Pty Limited and its controlled entities:
 - Aliquot Property Management Pty Limited
 - Key 2 Rental Management Limited
 - PPRE Pty Limited
 - CAS Pty Limited
 - Grandview Asset Pty Limited
 - Rockingham Realty Unit Trust
- Wentworth Property Management Pty Limited and its controlled entity:
 - Wentworth Management Service (NSW) Pty Limited
- Wentworth Real Estate Pty Limited and its controlled entities:
 - Wentworth Real Estate QLD (SE) Pty Limited
 - Wilson Pride Ellison Hearnden Pty Limited
 - Wilson Pride Ellison Hearnden Unit Trust
 - John Crowder & Sons Pty Limited
 - Crowder & Crowder Unit Trust
 - Ward Trew and Laver Pty Limited
 - Ward Trew and Laver Unit Trust
 - Budster Pty Limited
 - Budster Unit Trust
 - Pabfram Pty Limited
- Wentworth Services Pty Limited

	30/06/12 \$'000	30/06/11 \$'000
Consideration received in and cash and cash equivalents	16,842	-
Deferred sales consideration	1,842	-
Total consideration received	18,704	-
The following were the results of the main undertaking for the period		
Revenues	10,460	13,219
Operating expenses	(5,839)	(13,082)
Profit before tax	4,621	137
Income tax expense/ (benefit)	-	-
Profit after income tax	4,621	137
<i>Analysis of assets and liabilities over which control was lost</i>		
<u>Current assets</u>		
Cash and cash equivalents	8	-
Receivables (net of impairment)	166	-
Other	134	-
	308	-
<u>Non-current assets</u>		
Plant and equipment	193	-
Rent rolls (net of impairment and amortisation)	4,615	-
Goodwill (net impairment)	9,801	-
	14,609	-

Notes to the Financial Statements

33. Acquisitions and Disposals of Entities and Businesses (continued)

	30/06/12 \$'000	30/06/11 \$'000
Current liabilities		
Trade creditors	205	-
Accruals and other liabilities	255	-
Provisions	313	-
	773	-
Non-current liabilities		
Provisions	101	-
Net assets disposed of	14,043	-
<i>Gain on disposal on subsidiaries</i>		
Consideration received	18,704	-
Net assets disposed of	(14,043)	-
Gain on disposal of main undertaking	4,661	-
<i>Net cash inflow on disposal of subsidiaries</i>		
Consideration received in cash and cash equivalents	16,862	-
Less: cash and cash equivalent balance disposed of	(8)	-
Total cash consideration received	16,854	-

34. Parent entity disclosure

	30/06/2012 \$'000	30/06/2011 \$'000
Financial performance		
Profit/(loss) for year	2,589	476
Other comprehensive income	-	(277)
Total comprehensive income for year	2,589	199
Assets		
Current Assets	14,888	159
Non Current Assets	-	13,169
Total assets	14,888	13,328
Liabilities		
Current liabilities	168	1,138
Non current liabilities	-	-
Total liabilities	168	1,138
Net assets	14,720	12,190
Equity		
Issued capital	78,602	78,763
Reserves	531	472
Accumulated losses	(64,413)	(67,045)
Total equity	14,720	12,190

As at 30 June 2012, there were no (2011: \$nil) contingent liabilities of the parent entity,

As at 30 June 2012, there were no (2011: \$nil) guarantees entered into by the parent entity concerning debts of its subsidiaries.

As at 30 June 2012, there were no (2011: \$nil) commitments for the acquisition of property, plant and equipment by the parent entity.

Directors' Declaration

The directors declare that:

- a) 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;
- b) in the directors opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and give a true and fair view of the financial position and performance of the company and consolidated entity;
- c) in the directors opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1; and
- d) the directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 295 (5) of the *Corporations Act 2001*.

On behalf of the directors



Vaughan Webber
Chairman
Melbourne
28 September 2012

The Board of Directors
Wentworth Holdings Limited
Level 29, 55 Collins St
MELBOURNE VIC 3000

28 September 2012

Dear Board Members

Wentworth Holdings Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Wentworth Holdings Limited.

As lead audit partner for the audit of the financial statements of Wentworth Holdings Limited for the financial year ended 30 June 2012, I declare that to the best of my knowledge and belief, 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.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

M Stretton

Mark Stretton
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Wentworth Holdings Limited

Report on the Financial Report

We have audited the accompanying financial report of Wentworth Holdings Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 16 to 52.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Wentworth Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Wentworth Holdings Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 12 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Wentworth Holdings Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M Stretton

Mark Stretton

Partner

Chartered Accountants

Melbourne, 28 September 2012

Shareholder Information

As at 19 September 2012

Annual General Meeting

The annual general meeting of the Company will be held at Level 29, 55 Collins Street, Melbourne at 10.00am on Monday 12 November 2012. Shareholders who are unable to attend the meeting are encouraged to complete and return their proxy form that will Company the notice of meeting.

Shareholder Analysis

As at 19 September 2012 there were 722 shareholders in the Company. The voting rights are one vote for each share. The distribution of shareholders was as follows:

Distribution of Equity Securities

The number of shareholders, by size of holding in each class of share is:

	Number of Holders	Number of ordinary shares
1-1,000	68	25,268
1,001 – 5,000	72	204,379
5,001 – 10,000	151	1,179,625
10,001 – 100,000	308	9,679,884
100,001 and over	123	212,262,083
Total	722	223,351,239
The number of shareholders holding less than a marketable parcel of shares are:	261	1,116,009

Shareholder Information

As at 19 September 2012

Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
		Number of shares	Percentage of Ordinary Shares
1	UBS NOMINEES LIMITED	41,082,769	18.39
2	RUBI HOLDINGS PTY LTD	30,745,743	13.77
3	BELL POTTER NOMINEES LTD	13,748,527	6.16
4	JP MORGAN NOMINEES AUSTRALIA LIMITED	13,266,937	5.94
5	TICUDI PTY LTD	11,858,083	5.31
6	THIRTY-FIFTH CELEBRATIONS PTY LTD	10,386,446	4.65
7	AUSTIN SUPERANNUATION PTY LTD	7,259,573	3.25
8	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	7,214,323	3.23
9	N. SHARP SUPERANNUATION FUND PTY LIMITED	5,380,724	2.41
10	INCUBATOR CAPITAL LTD	4,900,000	2.19
11	BUNGEELTAP PTY LIMITED	4,147,962	1.86
12	CHAMELEON SUPER PTY LIMITED	3,358,082	1.50
13	RADIATA INVESTMENTS PTY LTD	3,000,000	1.34
14	DEASIL TRADING PTY LTD	2,500,000	1.12
15	ALEXANDER SUVOLTOS	2,500,000	1.12
16	U NO C PTY LTD	2,500,000	1.12
17	BIDAB PTY LTD	2,400,000	1.07
18	GISBORNE PARK PTY LIMITED	2,381,183	1.07
19	MR FRANK VILLANTE	2,193,952	0.98
20	BALLINA GROUP PTY LIMITED	1,600,000	0.72

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Name	Number of Shares	Percentage of Ordinary Shares
Thorney Holdings Pty Ltd	54,349,706	24.33%
John Rubino Superannuation Fund	30,745,743	13.59%
Ticudi Pty Limited	16,716,165	7.39%

Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Registered Office and Principal Place of Business

Wentworth Holdings Limited

Level 29, 55 Collins Street

Melbourne Victoria 3000

T 0420 961617

F 03 8692 1122

W www.wentworthholdings.com.au

Company Secretary

Ron Hollands

Share Registry

Boardroom Pty Limited

GPO Box 3993

Sydney NSW 2001

T 02 9290 9600

F 02 9279 0664

W www.registries.com.au