

An aerial photograph of a rural landscape. In the foreground, a long, narrow bridge with a metal truss structure spans across a body of water. To the right of the bridge, there is a farm complex with several buildings, a fenced-in area, and a dirt road. The background shows a vast, flat landscape with scattered trees and a distant horizon. The entire image is in a sepia or brownish tone.

ANNUAL REPORT

1967 / 68

MAIN ROADS STAFF CREDIT UNION LTD.

COVER PHOTOGRAPH BY COURTESY OF
THE DEPARTMENT OF MAIN ROADS,
NEW SOUTH WALES.

MAIN ROADS STAFF CREDIT UNION LTD.

309 Castlereagh Street, Sydney

Registered under the N.S.W. Co-operation Act, 1923-1965, on 29th September, 1964

FOURTH ANNUAL REPORT OF THE BOARD OF DIRECTORS

covering operations for the
year ended 30th June, 1968

AUDITORS

W. J. Mullane & Co.,
4 Bridge Street,
Sydney.

SOLICITOR

J. B. Lange,
155 Castlereagh Street,
Sydney.

BANKERS

Bank of New South Wales
Liverpool and Castlereagh Streets Branch.

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CHAIRMAN'S REPORT

It is with pleasure that I submit to you the Fourth Annual Report on the activities of the Main Roads Staff Credit Union Ltd. covering the year ended 30th June, 1968.

The year under review has been one of very considerable expansion in all phases of the Credit Union's activities. I propose to deal with these various fields separately later in my report.

Again, there has been no change in the membership of the Board of Directors — the original Directors having been re-appointed by successive Annual Meetings year by year. I have continued as Chairman of the Board — the other Board Members being Messrs. R. E. Johnston, C. W. Mathews, G. C. Sheldon, N. D. King, E. F. Mullin and J. Vallentine. During my forced absence earlier this year, Mr. R. E. Johnston deputised as Chairman.

In accordance with the Rules, the following Directors retire at this meeting:—

Messrs. N. D. King, G. C. Sheldon, J. Vallentine and myself.

All are eligible for and have submitted themselves for re-election.

It is very pleasing to see that more and more members of the Department's staff are joining the Credit Union. Whether this is because they are only now learning of its existence, or whether they have been watching progress to be sure in their own minds of its stability is hard to say. What is important to us is that there has been a net increase in membership during the year from 494 to 692 — that is 198 additional members or an increase of 40%. The 43 resignations from the Credit Union were virtually only as a result of staff leaving the Department's service.

Loan repayments, that is repayment of principal, during the year amounted to \$98,600, while money placed on deposit increased by \$61,007 net to \$185,689.

Loans paid during the year amounted to \$160,719, giving a total for the 3½ years' operations of the Credit Union of \$374,455. During the current year this total will undoubtedly pass the half million mark, and I am sure members will agree that this is now getting to be really big business.

Despite this large amount of money that we are handling, again I am able to report that we have no bad debts. Whether there is an element of risk in this I do not know, but compared with other Credit Unions we do seem to be unique in this respect. I think it is only fair to say however that the Directors follow a firm and clearly defined policy in lending, and even though we would like to give out loans to everybody for everything they want, we cannot disregard the trust that is placed in us by depositors or take unnecessary risks of incurring losses. For this reason we look to borrowers to provide collateral, appropriate to the amount of their loans.

The excess of income over expenditure for the year was \$4,040.22 after providing for Income Tax \$14.95, to which I will refer later, \$3,500 as provision for Doubtful Debts, and transferring \$199.00 to the Statutory Reserve. This leaves a balance of \$1,314.67 unappropriated profits.

Payment of interest on deposits has again been approved by the Directors at the rate of six and one half per cent for the year. As in former years, the interest earned has been added to each member's deposit account (except

where the member has indicated that he wishes to withdraw it) and will itself earn interest in the future.

Passing from a review of income and profits, I should like to make brief mention of our major expense items.

Nearly \$1,000 premiums were paid for Loan Protection Insurance. This provides for cases where a borrower dies before repaying a loan, and in such instances the estate is absolved from further payment — the balance of principal being paid by the insurer. No less than four deaths of borrowers occurred during the year under review so I feel sure you will see the prudence of this protection which we have provided to cover the Credit Union's funds.

The other item of expenditure which I would like to mention is \$740.00 for clerical assistance. As I mentioned last year, we were fortunate to obtain the services on a part-time basis of Mr. G. Woodlands and apart from a period when he was seriously ill, Mr. Woodlands has continued to give a very valuable service. Despite this, however, the growth of the Credit Union and the resulting quantity of work to be done has been so great that the Directors decided late in June to engage a clerical officer for full-time duty in the Office. This of course will mean a fairly sharp rise in expenses in our next year's operations, but judging by annual growth rate so far, the Directors are confident that the additional costs will be well within the earning capacity of the Credit Union to absorb.

The following information shows the growth of the Credit Union since its inception in December, 1964:—

	30/6/65	30/6/66	30/6/67	30/6/68
Number of members	182	343	494	692
Paid up capital (shares)	\$1,820	\$3,430	\$4,940	\$6,920
Loan Repayments (principal)	\$8,675	\$29,936	\$92,858	\$98,600
Total Deposits	\$22,075	\$73,705	\$124,682	\$185,689
Total loans granted	\$23,316	\$107,359	\$213,736	\$374,455

Copies of the audited Income and Expenditure Account for the year ended 30th June, 1968, and the Balance Sheet as at 30th June, 1968, have been distributed for the information of members. I would be pleased to answer any questions relating to them or to any other matters which members may care to raise later on in the Meeting.

A Special General Meeting of Members was held here on 30th May, 1968, to consider amendments to the Rules. The amendments were agreed to by the Members and subsequently accepted by the Registrar of Co-operative Societies. I am sure that you are all aware that the purpose of the amendments was to establish in the operations of the Credit Union, the principle of mutuality, so as to gain the benefit which applies to mutual societies of exemption from income tax on its mutual earnings. Our Income Tax Return for the year ended 30th June, 1968, has been prepared and submitted to the Commissioner for Taxation on the basis that we are a mutual society and we are hoping the Taxation Commissioner interprets the Income Tax Laws as we and the rest of the Credit Union movement do. The only income which we have shown as taxable is that which we earned from outside, such as bank interest.

I am sure all members were glad to see that during the year we were able to publish for the first time an annual report. This initial publication covered our operations from the commencement in December, 1964, to 30th June, 1967. It is the intention of the Board to publish a report annually in the future.

Last year I mentioned that we were investigating the possibility of putting our recording work on a computer. Unfortunately, we have not made a great deal of progress in this regard yet, but the matter is well in mind, and our rate of expansion is making early consideration of this imperative.

Before closing, I would like to record my appreciation and indeed the appreciation of all members of the Credit Union, firstly to the ladies who have so willingly given their typing services whenever it has been needed. I know that the work has been spread among quite a number of typists and therefore I will not mention any one girl in particular. I must also give particular thanks to Mr. Earl Johnston who deputised most capably for me as Chairman of the Board during my enforced absence earlier in the year, and also to Mr. Jack Vallentine, the Secretary, for the capable and ready assistance he has given at all times.

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee has carried out a thorough examination of the records of the Main Roads Staff Credit Union Ltd. for the year ended 30th June, 1968, particularly:—

- Register of Members
- Security Book
- Receipt Books
- Cheque Books
- Receipts and Payments Statements
- Minute Book
- Petty Cash
- Directors' Attendance Book

As a result of this examination we consider that the Main Roads Staff Credit Union Ltd. is being conducted in a proper manner.

**B. M. WRIGHTSON
D. L. JONES
K. C. KIRKLAND**
Supervisory Committee

MAIN ROADS STAFF CREDIT UNION LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1968

1967	1967	\$	\$	\$	\$
\$	\$				
105	10,777	105.00	10,777	16,800.35	
245	47	396.50	47	193.61	
14	89	74.00	89	120.00	
410	—	300.00	—	96	
					17,114.92
24		Workers' Compensation	2.67		
610		Loan Protection	969.88		
6,088		Interest on Deposits	9,916.65		
17		Printing and Stationery	550.60		
15		Postage and Duty Stamps	19.40		
60		Salary—Casual Office Assistant	740.00		
7,588			13,074.70		
		Excess of Income over Expenditure transferred to Profit and Loss Appropriation	4,040.22		
3,325			17,114.92		17,114.92
10,913					

PROFIT AND LOSS APPROPRIATION ACCOUNT

1968	1967	\$	\$	\$	\$
June 30	July 1	14.95	14.95	988.40	
	1968	3,500.00	3,500.00		
	June 30	199.00	199.00	4,040.22	
		1,314.67	1,314.67		
		5,028.62	5,028.62		5,028.62
	1968				
	July 1				1,314.67

BALANCE SHEET AS AT 30th JUNE, 1968

LIABILITIES	1967	1968	1969	1970	1971	ASSETS
	\$	\$	\$	\$	\$	
1967						
\$						
4,940	SUBSCRIBED CAPITAL (FULLY PAID),	6,920.00			194,654.55	LOANS TO MEMBERS
988	3,460 shares of \$2.00 each	1,314.67				Less: Provision for Doubtful
177	PROFIT AND LOSS APPROPRIATION	376.00			5,000.00	Debits
	STATUTORY RESERVE					
6,105	TOTAL SHAREHOLDERS' FUNDS	8,610.67				SHARES IN N.S.W. CREDIT
124,682	DEPOSITS	185,688.69		10		UNION LEAGUE
515	ACCRUED ITEMS	130.00				BANK OF NEW SOUTH
1,008	PROVISION FOR TAXATION	14.95		1,487		WALES — Liverpool and
263	PROVISION FOR DIVIDEND	—		40		Castlereagh Streets
						PETTY CASH ON HAND
132,573		199,444.31		132,573		

AUDITORS' REPORT

We have examined the Books, Accounts and Vouchers of the Society, and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the Audit.

In our opinion, proper Books of Account have been kept so far as appears from our examination of the Books, and the Balance Sheet and Income and Expenditure Account dealt with in this Report are in agreement therewith and to the best of our information and the explanations given us the said Accounts give the information required by or under the Act in the manner so required and give a true and fair view of the state of the Society's affairs and the net Profit for the year ended 30th June, 1968.

In our opinion, the Register of Members and other Records which the Society is required to keep by or under the Act or by its Rules have been properly kept and the Rules relating to the administration of the Funds of the Society have been observed.

4th September, 1968.

4 Bridge Street,

SYDNEY.

W. J. MULLANE & CO., Registered Public Accountants and Auditors.

(Registered under the Public Accountants Registration Act, 1945—as amended)

LOAN PROTECTION INSURANCE

From the inception of the Credit Union, the Directors have arranged for loans made to members to be covered by a policy of Loan Protection Insurance, so that in the event of a borrower dying before paying off his loan, the balance of the loan becomes due and payable by the Insurance Company.

This means that the widow or other beneficiary of the Estate is released from the responsibility of paying off the loan, and also that the Credit Union does not have to wait for its money until probate on the Estate is granted.

The Credit Union has the choice of two policies to cover Loan Protection Insurance. One covers all members up to the age of 65 years, while the other covers all members only to the age of 60 years.

Because, initially, the Directors had no means of knowing to what extent members over 60 years of age would be borrowers, it was considered prudent that the Loan Protection Insurance policy should cover all borrowers including those in the 60-65 age bracket, even though the premiums were considerably higher than would have been the case if a policy to age 60 years only had been taken out.

After 3½ years experience, during which, only three loans have been made to members over 60 years of age, the Directors have decided that as from 1st January, 1969, the policy of Loan Protection Insurance will cover loans to borrowers up to the age of 60 years only.

This means that, while there will be no restrictions on loans to members over 60 years of age, in the event of the death of a borrower in this age group, before his loan is repaid, the Credit Union will need to lodge a claim on the Estate for the balance of principal due on the loan at the date of death.



