

MAIN ROADS STAFF CREDIT UNION LTD.

# ANNUAL REPORT 1972-73

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*Cover: Sealing of the Barrier Highway, which extends between Nyngan and the South Australian Border, was completed on 30th October, 1972. Photograph by courtesy of the Commissioner for Main Roads.*

**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

**NINTH ANNUAL REPORT OF THE BOARD OF DIRECTORS  
COVERING OPERATIONS FOR THE YEAR ENDED  
30th JUNE, 1973**

**DIRECTORS**

C. W. Mansfield (Chairman)  
R. E. Johnston    N. D. King    C. W. Mathews    H. Mudie  
E. F. Mullin    J. Vallentine

**SECRETARY**

J. Vallentine

**TREASURER**

J. L. Maloney

**OFFICE STAFF**

Mrs. Kerry Oliver    Mrs. J. Collins    Mrs. Sue King  
Miss Gail Keith

**SOLICITOR**

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

**AUDITORS**

Counsel & O'Neill,  
Suite 4,  
Hartill-Law Avenue,  
Bardwell Park, N.S.W. 2207

**BANKERS**

Bank of New South Wales  
Liverpool and Castlereagh Streets Branch

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## CHAIRMAN'S REPORT

It is with great satisfaction and pleasure that, on behalf of the Board of Directors, I submit the Ninth Annual Report covering the year ended 30th June, 1973. The year has shown a growing confidence in the Credit Union and an expansion according to the planning by the Board. As a consequence, the responsibility and work required of the Directors and the staff has increased.

The significant achievements during the year were:—

- ★ Membership (net) increased from 1,878 to 2,096.
- ★ Assets moved from \$824,044 to \$1,039,564.
- ★ Debtors for loans increased from \$558,428 to \$603,191.
- ★ Maximum lending provisions increased to \$6,500 to be repaid over ten years.
- ★ Move towards change from machine accounting to computer control.

The Directors serve for two years on election and retire in two groups. The Directors who retired at the last Annual General Meeting on 20th September, 1972, were Messrs. N. D. King, G. C. Sheldon, J. Vallentine and myself. These Directors, together with Mr. H. Mudie, nominated for re-election. Mr. Sheldon withdrew before a ballot was taken and the election then resulted in the appointment of Messrs. N. D. King, H. Mudie, J. Vallentine and myself as Directors for a period of two years.

Mr. Sheldon had been a Director since the formation of the Credit Union and had given valuable and unstinted assistance to the Board and the members. I place on record now my thanks and appreciation to Mr. Sheldon for his help.

We welcome Mr. Mudie to the Board, well knowing that we can rely on him for advice and co-operation.

At the first meeting of the Board, I was again elected Chairman for the ensuing year. I repeat my appreciation of the confidence of the members and the Directors for my continued association with the Credit Union and for the honour of once again occupying the position of Chairman of the Board of Directors. The assistance, advice and co-operation of the members of the Board has lessened the volume and responsibility of my position as Chairman and I thank them.

Mr. J. Vallentine was again elected Honorary Secretary. He has had unbroken service as a Director and Honorary Secretary since the formation of the Credit Union and has rendered most valuable service to the members. I, on behalf of the members and Directors, place on record our appreciation for his unfailing assistance.

Mr. J. L. Maloney has continued as Honorary Treasurer of the Credit Union by appointment of the Board of Directors. He also has been associated with the Credit Union since the inception and his knowledge of the work has been a great help to the Board of Directors and the staff. May I express the appreciation and thanks of all concerned.

During the year there were 48 meetings of the Board of Directors. The attendances by the Directors were always regular, leave being granted in cases of illness, holidays and official duties elsewhere.

The office staff has faithfully carried out the allotted duties in a most responsible manner, thus reducing to a minimum the administrative cost of operating the Credit Union. Mrs. K. Oliver (nee Miss Medway) continued to manage the office in a very efficient way, ably assisted by Mrs. S. King and Miss G. Keith. Mrs. V. J. Collins, machine operator, resigned on 23rd March, 1973. For approximately three months Mrs. A. Lovegrove was employed as machine operator, but she resigned on 8th June, 1973. Mr. Woodlands continued as part-time employee. The office work has been kept up to date, except that postings fell in arrears due to an inadequate bookkeeping machine and changes in the operators. Casual assistance was obtained by hiring two accounting machines and operators late in June, 1973, to bring the posting work up to date. It is expected that the ledgers will be posted and balanced by 31st July, 1973. Enquiries are in hand to change to computer operation within the Department and negotiations are continuing with the Department on a feasibility study and cost basis.

The Board desires to place on record its appreciation of the co-operation of the staff.

Credit Committees continue to assist in Divisions and at Central Workshop. The advice of these Committees is most helpful.

The Supervisory Committee continued very active participation in the work of the Credit Union. The members are Messrs. D. L. Jones, I. H. McKay, L. H. Peake and N. F. Seiffert. Two members retire each year and the election is for two years. Messrs. I. H. McKay and N. F. Seiffert retired at the last Annual General Meeting and, being eligible, nominated and were elected for a further term. The Auditors have commented that the work done by this Committee is reflected in the quantity of audit work required and consequently in the cost of the audit. The thanks of the Board of Directors and the members is extended to the members of this Committee.

The Rules of the Credit Union were authorised for alteration at the last Annual General Meeting by appropriate Special Resolution of which proper notice was given. The Registrar has registered the following alterations:—

- “15 (c) The Board may uniformly impose charges on members:—
- (i) for registering a Bill of Sale given by a member as security or part security for a loan  
    . . . the prescribed fee.
  - (ii) for the preparation of and/or registration of any legal document by a qualified legal practitioner acting for the member or for the Credit Union, or for both  
    . . . the charge imposed.”

During June, 1973, a Special General Meeting passed a Special Resolution to provide that the maximum indebtedness of a member be increased, but not to exceed his/her paid up share capital and deposits by more than \$6,500. The maximum period over which the loan of \$6,500 shall be repaid was also increased to a maximum of 15 years. The securities required were also set down in detail. The rule was submitted to the Registrar of Credit Unions for approval and registration. It is expected that approval will be forthcoming without delay.

An advising by the Credit Union league was received in 1967 concerning the possibility of the income of Credit Unions being not subject to Commonwealth Income Tax provided their Rules were appropriately worded. This Credit Union took steps during the 1967/68 financial year to amend its Rules to accord with the draft Rules supplied by the League. Approval to the amended Rules was given by the Registrar on 17th June, 1968.

A tax assessment amounting to \$1,414 was issued by the Commissioner on this Credit Union's 1967/68 earnings, and on 2nd October, 1969, the Credit Union lodged an objection to the assessment. On 21st October, 1969, the objection was disallowed, following which the Credit Union on 5th December, 1969, requested the Commissioner to treat the objection as an appeal to the High Court of Australia.

The same procedure has followed year by year in respect of each annual assessment as follows:—

1969	—	\$1,127.70
1970	—	\$1,262.25
1971	—	\$2,993.27
1972	—	\$2,160.30

All of these assessments, totalling \$8,957.52, have been paid to the Taxation Department and providing the current appeal before the High Court is upheld, the Credit Union can expect a refund of the full amount. The 1973 assessment has not yet been issued but is expected to involve an amount of \$1,344.00.

In any case, it seems likely that the Labor Party will grant tax exemption to Credit Unions, at least on their profits from internal operations (as opposed to income from outside investments), but while this will give relief in future years, it would not result in a refund of tax paid in earlier years, which can only be achieved if the High Court Appeal is upheld.

This Credit Union's appeals were transferred from the jurisdiction of the High Court to the New South Wales Supreme Court in accordance with our request dated 14th June, 1973.

The expansion of the Credit Union continues and the following summary emphasises the growth:—

	1970/71	1971/72	1972/73
Members (net)	1606	1878	2096
Loans granted	\$462,130	\$558,428	\$603,191
Loans repaid	\$321,426	\$384,525	\$481,528
Deposits received	\$506,958	\$749,048	\$669,302
Deposits withdrawn	\$362,733	\$506,378	\$456,547
Interest paid	\$29,529	\$42,728	\$57,592
Interest received	\$51,509	\$66,604	\$79,035

Further information is available in the accounts and graphs presented in this report, which are recommended for the attention of the members.

The successful operation of the Credit Union results from co-operation between lenders and borrowers under the administration of the Board of Directors and the management and work of the staff. Credit is due to all concerned for the interest displayed and it is anticipated that the Credit Union will continue to operate to the benefit of all those people who invest and borrow.



The Credit Union has continued the affiliation with the N.S.W. Credit Union League Ltd. The "Highlights" of the 16th Annual Report of the League are as follows:—

	Last year	1971/72	Change
New Credit Unions Formed	28	19	— 32%
Affiliated Credit Unions (30th June)	287	292	+ 2%
Membership (1st January)	146,000	171,500	+ 17%
Income	\$137,586	\$254,015	+ 85%
Expenditure	\$167,415	\$275,135	+ 64%
Central Deposits —			
Received	\$5,072,632	\$8,422,046	+ 66%
Withdrawn	\$4,767,673	\$7,789,956	+ 63%
Balance	\$2,775,967	\$3,408,057	+ 23%
Central Loans —			
Made	\$3,269,339	\$4,609,355	+ 41%
Repaid	\$2,873,347	\$3,952,294	+ 38%
Balance	\$2,402,319	\$3,266,622	+ 36%
Centralised Banking Accounts —			
Received	—	\$35,855,413	—
Paid Out	—	\$35,444,276	—
Balance	—	\$411,137	—
Central/Centralised Banking Interest —			
Received	\$189,320	\$284,617	+ 50%
Paid	\$154,241	\$230,805	+ 50%
Gross Surplus	\$35,079	\$53,812	+ 53%
Supply —			
Sales	\$35,835	\$67,088	+ 87%
Gross Surplus	\$10,448	\$17,142	+ 64%

May I take the opportunity of expressing the appreciation of the Board of Directors and the members to the Commissioner and Assistant Commissioner for Main Roads for their support and interest. My thanks to officers in the Department, with whom it is essential to work closely, for their co-operation.

C. W. MANSFIELD,  
Chairman.

**MAIN ROADS STAFF CREDIT UNION LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1973**

1972		1972			
\$		\$		\$	
270	Audit Fees	300.00			
294	Advertising	36.00			
1,732	Affiliation Fees	1,966.00	66,604	Interest on Loans	79,035.00
708	Bad Debts Written Off		203	Entrance Fees	196.00
333	Bank Charges	204.00	1,264	Interest on Investments	5,768.00
302	Depreciation	358.00			
750	Doubtful Debts				
73	General Expenses	110.00			
400	Honorariums	400.00			
—	Hire of Office Machines	458.00			
92	Insurance—General				
	Fidelity Insurance	70.00			
	Workers' Comp.	44.00			
		114.00			
	Insurance—Loan				
2,901	Protection	3,441.00			
42,728	Interest on Deposits	57,592.00			
241	Printing and Stationery	694.00			
32	Postages, Duty Stamps	4.00			
300	Rent	300.00			
316	Repairs and Maintenance	163.00			
12,911	Salaries	16,190.00			
	Long Service Leave				
160	Provision	200.00			
			82,530.00		
	Excess of Income over				
	Expenditure for the Year				
	transferred to Profit and				
3,528	Loss Appropriation	2,469.00			
\$68,071		\$84,999.00	\$68,071		\$84,999.00

**BALANCE SHEET AS AT 30th JUNE, 1973**

	1972	1972	1972	1972	1972
	\$	\$	\$	\$	\$
<b>SUBSCRIBED CAPITAL</b>					
10,480 Shares of \$2.00 each		20,960.00			
<b>Less: Unpaid</b>		—			
		20,960.00			
<b>STATUTORY RESERVE</b>		20,960.00			
<b>PROFIT AND LOSS APPROPRIATION</b>		13,737.00			
(Debit Balance)		514.00			
<b>TOTAL SHAREHOLDERS' FUNDS</b>		34,183.00			
<b>DEPOSITS</b>		1,003,118.00			
<b>ACCRUED ITEMS</b>		399.00			
<b>PROVISION FOR TAXATION</b>		1,344.00			
<b>PROVISION FOR LONG SERVICE LEAVE</b>		520.00			
<b>LOANS TO MEMBERS</b>					849,049.00
<b>Less: Provision for Doubtful Debts</b>					3,250.00
					845,799.00
<b>SHARES IN N.S.W. CREDIT UNION LEAGUE INVESTMENTS—</b>					
N.S.W. Credit Union Savings Protection Fund		11,444			17,089.00
N.S.W. Permanent Building Society Ltd.		10,054			20,000.00
Cronulla & St. George Building Society Ltd.		10,054			20,000.00
P.S.A. Permanent Building Society Ltd.		5,027			5,000.00
R.S.L. Permanent Building Society Ltd.		5,086			21,100.00
Hibernian Building Society Ltd.		—			20,000.00
Parramatta Building Society Ltd.		—			15,000.00
<b>OFFICE EQUIPMENT</b>					118,189.00
(At Cost less Depreciation)		907			1,074.00
<b>BANK OF NEW SOUTH WALES, Liverpool and Castlereagh Streets</b>		57,286			73,952.00
<b>ACCRUED INCOME</b>		40			500.00
<b>CASH ON HAND</b>		824,044			40.00
		<u>\$824,044</u>			<u>\$1,039,564.00</u>
					<u>\$1,039,564.00</u>

**PROFIT AND LOSS APPROPRIATION ACCOUNT**

1973		1972	
June 30	Provision for Taxation .....	July 1	Balance brought forward .....
	Transfer to Statutory Reserve .....	1973	
		June 30	Net Surplus for year transferred .....
			Balance carried down .....
			<u>514.00</u>
			<u>\$4,280.00</u>
1973			
July 1	Balance carried forward .....		<u>\$514.00</u>
			<u>\$ 1,297.00</u>
			<u>2,469.00</u>
			<u>514.00</u>
			<u>\$4,280.00</u>

**AUDITORS' REPORT TO THE MEMBERS**

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.

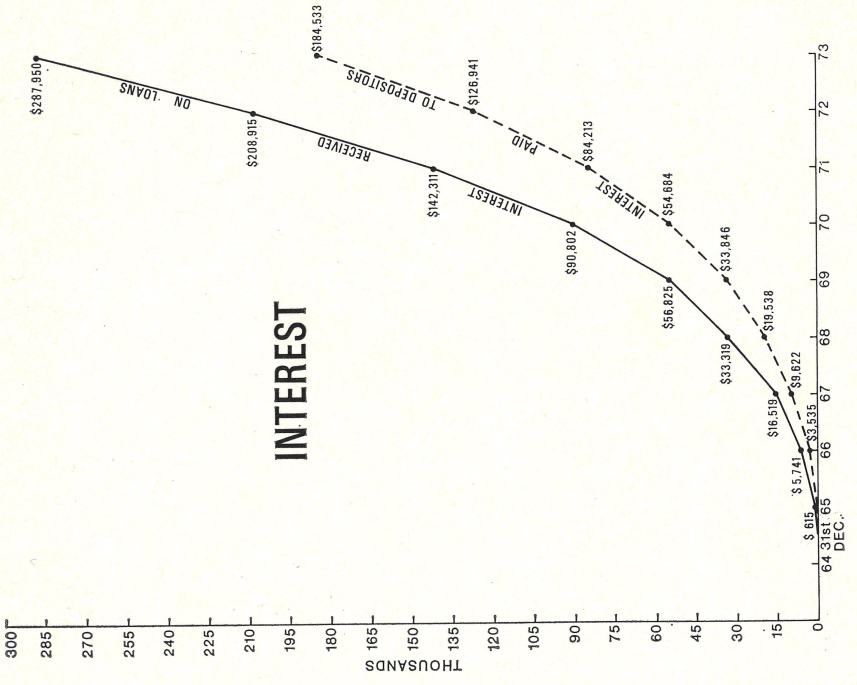
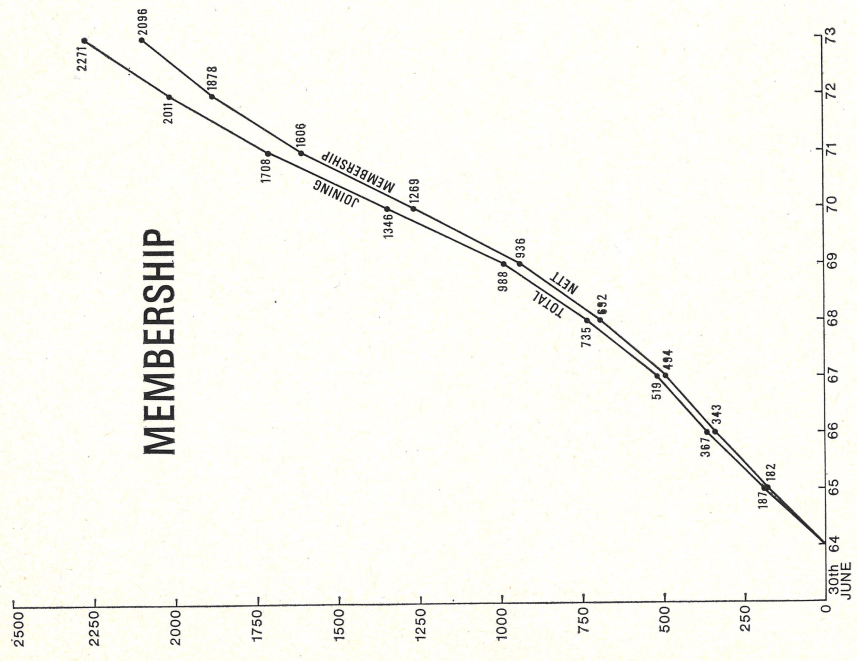
In our opinion, proper Books of Account have been kept so far as appears from our examination of the Books, and the Balance Sheet and Income and Expenditure Account dealt with in this Report are in agreement therewith and to the best of our information and the explanations given us the said Accounts 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 surplus for the year ended 30th June, 1973.

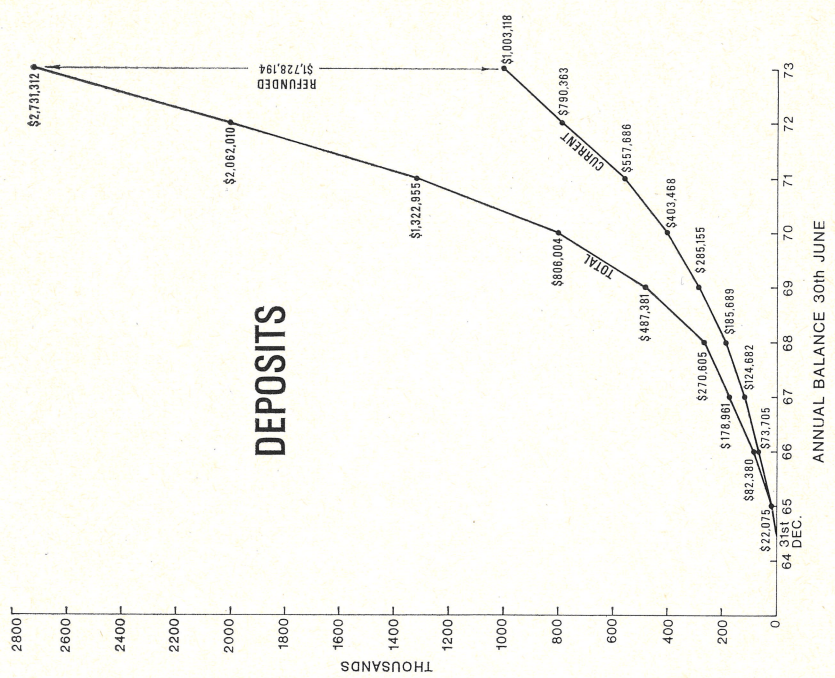
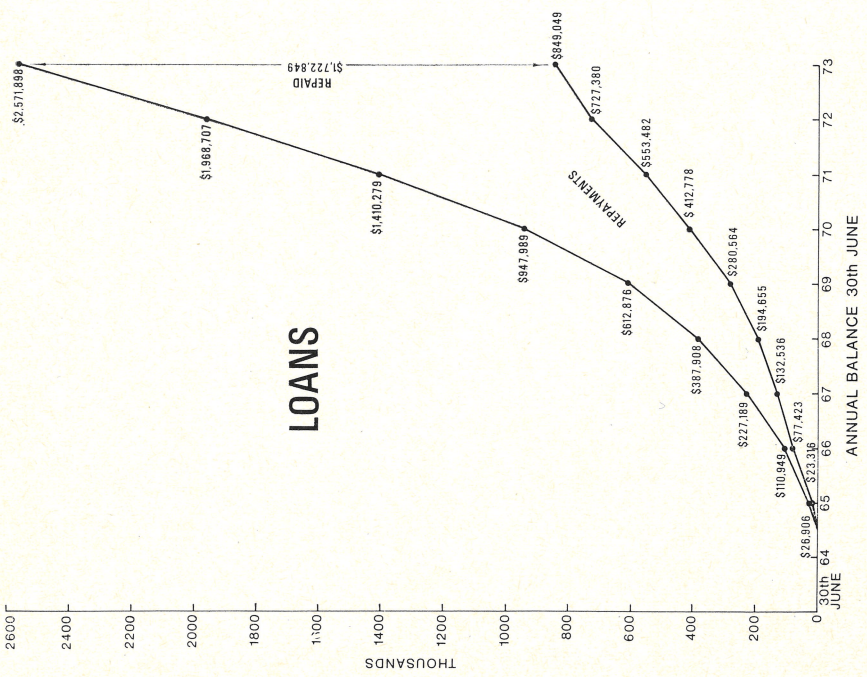
In our opinion, the Register of Members and other Records which the Society is required to keep by or under the Act or by its Rules have been properly kept and the Rules relating to the administration of the Funds of the Society have been observed.

4/14-18 Hartill-Law Avenue,  
**BARDWELL PARK.**

(Registered under the Public Accountants Registration Act, 1945, as amended).  
**COUNSEL & O'NEILL, Registered Public Accountants and Auditors.**

15th August, 1973.





**REPORT OF THE SUPERVISORY COMMITTEE  
FOR THE YEAR ENDED 30th JUNE, 1973**

The Supervisory Committee has examined, during the year ended 30th June, 1973, the books, records and procedures of the Main Roads Staff Credit Union Limited.

It would appear from this examination that the Credit Union is being conducted in a proper manner and in the best interest of the members.

D. L. JONES  
I. H. McKAY  
L. H. PEAKE  
N. F. SEIFFERT

Supervisory Committee  
18th September, 1973

