

**MAIN ROADS STAFF
CREDIT UNION LIMITED**



**12TH ANNUAL REPORT
TO MEMBERS**

**For the year Ended
30th June, 1976**

DIRECTORS:

M.A. LLOYD (Chairman)

D.L. JONES (Secretary)

C.W. MATHEWS

N.D. KING

H. MUDIE

C.W. LACY

E.J. HANLON



ADMINISTRATION:

J.L. MALONEY (Treasurer)

S. KING

L. DARE

H. STAPLES



AUDITORS:

COUNSEL & O'NEILL

Suite 8 Hartill-Law Ave.,

Bardwell Park.



SOLICITORS:

J.B. LANGE & BURKE

155 Castlereagh St.

Sydney.



BANKERS:

BANK OF N.S.W.

Liverpool & Castlereagh Sts.

Sydney.

CHAIRMAN'S REPORT

I am pleased to submit to the members on behalf of the Board of Directors the Twelfth Annual Report of the Main Roads Staff Credit Union Ltd. I was elected Chairman of the Board following the resignation in June, 1976 of Mr. B.N. Loder who was transferred by the Department to Wollongong Divisional Office. I would like to record the Board's appreciation of Mr. Loder's services during his three years as a member and later Chairman of the Board.

It gives me great pleasure to be able to report that the year ended 30.6.76 was a most successful year despite the continuing unfavourable economic conditions. The success of the Credit Union is very much a co-operative effort and can be attributed to those who established this Union on such good foundations, the policies and application of the rules by the Board, the faithful and conscientious service by the staff and supervisory committee and last but not least the members themselves in the confidence they have shown in knowing their funds attract the best possible interest rates and loans are made available at a reasonable cost.

Copies of the audited accounts and balance sheet as at 30.6.76 are attached for your information. The Directors approved the payment of interest on deposits at a rate of 9% for the 1975/76 year. Accumulated profit during this period increased from \$3,733 to \$16,457. Whilst the Credit Union is a non-profit organisation the Directors feel that this profit should be retained in the accounts to allow greater flexibility in maintaining interest rates and charges comparable with other financial institutions and to act as a buffer against any economic setback similar to our experiences of 1974/75.

The following table shows the growth of the Credit Union over the last five years:-

Year	Number of Members	Deposits \$	Increase %	Interest paid to Depositors \$	* Decrease	
					Loans Granted \$	Increase %
971/72	1878	790,363	-	42,728	727,386	-
972/73	2096	1,003,118	27.0	57,592	849,049	16.8
973/74	2146	1,039,705	3.6	70,628	987,873	16.3
974/75	2136	976,406	6.1*	73,318	938,223	5.0*
975/76	2387	1,268,864	29.9	84,931	1,233,930	31.4

During the year two important events took place which will effect our Credit Union in the years to come.

Firstly, major changes to the Credit Union Act were passed through Parliament. The most significant were:-

- (a) to give the Registrar of Credit Unions more control and power over Credit Unions especially those operating in a deficit situation.
- (b) to restrict, in a number of cases, the total value of loans which can be granted to any one member and the securities necessary for such loans.
- (c) To set up a compulsory stabilisation fund covering all Credit Unions in New South Wales (Note: It is this alteration to the Act that will involve this Credit Union. It would appear from discussions between various Credit Union Associations and the Government that the stabilisation fund will be financed from a levy or compulsory investment to the fund).

Secondly, after long and careful consideration the Board cancelled the Credit Union's long standing membership with the New South Wales Credit Union League. This action was taken because the cost of membership was too high for the benefits received and the Credit Union's investment in the League's Stabilisation Fund was at risk of being written down. It was therefore considered to be in the members best interest to cancel the membership. Since resigning, the Credit Union has joined the Association of Central Credit Unions (ACCU) which keeps us informed of all the latest legislation and developments within the movement at a minimum cost. The annual saving to members by this action is approximately \$4,000.

I wish to take this opportunity to bring to the attention of members the main objects of our Credit Union.

'To encourage thrift in its members by saving for present and future needs and to provide financial aid to those members who need credit beyond their immediate resources'.

The Board is concerned at the number of members using the Credit Union in the nature of a bank. This is, by depositing amounts by payroll deduction and then withdrawing all or most of the amount by the following pay day. These accounts do not earn interest and at the same time place a considerable strain on the working of the Office. These members are accordingly requested to critically examine their payroll deposits and if necessary reduce their deductions so that the actual cash received in the pay envelope is sufficient to meet needs for the following two weeks. It is surprising how fast small regular deposits grow if they are allowed to remain and accumulate interest.

At the annual meeting held on 24th September, 1975, Messrs. Lacy, Loder and Mathews were elected to fill the vacancies caused by three directors retiring at the time. Messrs. Fairlie and Hanlon have since been appointed to the Board to fill the positions occupied by Messrs. Loder and Jones before their resignation as Directors. A warm welcome is extended to Murray Fairlie and Ted Hanlon knowing they will serve the members well in their new position. In accordance with the rules, Messrs. Hanlon, King, Mudie and myself retire this year.

The Board desires to place on record its appreciation of the co-operation and work carried out by the staff during the year; Manageress, Mrs. Sue King, Miss Olly Johnson who resigned in April, 1976, Miss Leanne Dare and Miss Helen Staples. The Board desires to express its appreciation for the work of the Credit Committees throughout the State.

I would also like to record the Board's appreciation of the assistance rendered by Mr. J.L. Maloney in his capacity as Hon. Treasurer. Jack, who was Hon. Treasurer for almost 10 years resigned on 30th June, 1976. Jack was a tower of strength to the Credit Union and he will be missed.

The Supervisory Committee were very active in checking the workings of the Credit Union. Messrs. Ian Lindeman, Bob Bradley, Keith Calvert and Dave Johnson spend a great deal of time and effort in looking after the member's interests. On behalf of the members I extend to them sincere thanks for a job well done.

Many thanks are also extended to the Commissioner and Deputy Commissioner for Main Roads for their assistance and support over the past years.

In conclusion I would like to point out that the Credit Union belongs to the 2387 members. In order to provide the services you desire and continue to expand it needs your continued support as depositors and borrowers and any other new members you might introduce. The Directors and myself look forward to the future successful operation of the Credit Union with considerable confidence.

(M.A. Lloyd)
Chairman

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INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 1976

1975		1976
\$	Income received was made up of:-	\$
121,208	By Interest on Loans	134,347
123	' Entrance Fees	220
4,418	' Interest on Investments	5,037
474	' Bank Interest	536
11	' Miscellaneous Income	-
<u>\$126,234</u>		<u>\$140,140</u>
	Expenditure incurred amounted to:-	
1,420	To Audit Fees	1,550
25	' Advertising	-
3,069	' Affiliation Fees	265
2,811	' Bad Debts Written Off	349
817	' Bank Charges	1,231
180	' Depreciation	260
-	' General Expenses	267
900	' Honorariums	1,260
	' Insurance - General	
1,097	- Fidelity Insurance	545
51	- Workers' Compensation	94
2,991	' Insurance - Loan Protection	3,886
73,318	' Interest on Deposits	84,931
741	' Printing and Stationery	470
18	' Postages, Duty Stamps	7
300	' Rent	300
50	' Repairs and Maintenance	45
18,862	' Salaries	24,649
-	' Provision for Taxation	326
1,000	' Computer Program	-
1,300	' Computer Hire	1,300
100	' Debt Collection Fees	-
2,585	' Interest on A.C.C.U. Loan	563
5,750	' Provision for Doubtful Debts	-
<u>\$117,385</u>		<u>\$122,298</u>

Excess of Income over
Expenditure for the Year
transferred to Profit and
Loss Appropriation

8,849

17,842

PROFIT AND LOSS APPROPRIATION

2,375*	By Balance Brought F/wd	3,733
8,849	' Net surplus for the year	17,842
1,716	' Overprovision for Taxation	20
367	Less Provision for Taxation	-
	' Transfer to Statutory	
4,090	Reserve	5,138
<u>3,733</u>	Surplus C/Fwd	<u>16,457</u>

*Deficit

BALANCE SHEET AS AT 30TH JUNE, 1976

1975	ASSETS	1976
\$		\$
	Loans to Members	
		1,233,930
929,223	Less: Provision for Doubtful Debts	<u>9,000</u> 1,224,930
1,000	Shares in N.S.W. Credit Union League	-
-	Shares in Assoc. of Central Credit Unions	10
	Investments with:-	
21,203	N.S.W. Credit Union Savings Protection Fund	-
10,422	N.S.W. Permanent Building Soc. Ltd.	10,137
9,002	St. George Building Soc. Ltd	3,002
-	R.S.L. Permanent Building Soc. Ltd.	7,089
2	Hibernian Building Soc. Ltd.	10,002
10,000	United Permanent Building Soc. Ltd.	10,000
10,000	Permanent of Australia Building Soc. Ltd.	<u>10,000</u> 50,230
-	Investment in Assoc. of Central Credit Unions	20,568
	Office Equipment	
945	(At Cost Less Depreciation)	1,040
	Bank of N.S.W. - Liverpool & Castlereagh Sts. Sydney	91,811
33,283		
294	Accrued Income	319
540	Cash on Hand	1,240
<u>\$1,025,914</u>		<u>\$1,390,148</u>

LIABILITIES

21,360	Subscribed Capital	23,870
	11,935 Shares of \$2.00 each	
21,488	Statutory Reserve	26,626
<u>3,733</u>	Profit & Loss Appropriation	<u>16,457</u>
46,581	Total Shareholders' Funds	66,953
976,406	Deposits	1,268,864
	Loan Assoc. of Central Credit Unions	50,563
-		
1,840	Accrued Items	2,722
367	Provision for Taxation	326
	Provision for Long Service Leave	720
720		

\$1,025,914

\$1,390,148

AUDITOR'S REPORT TO THE MEMBERS

We have examined the Books, Accounts and Vouchers of the Credit Union, 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 Credit Union's affairs and the Net Surplus for the year ended 30th June, 1976.

In our opinion, the Registrar of Members and other Records which the Credit Union 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 Credit Union have been observed.

Signed:

COUNSEL & O'NEILL
9th September, 1976

Registered Public Accounts and Auditors

(Registered under the Public Accounts
Registration Act, 1945 - as Amended)

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee has carried out a thorough examination of the records, books and procedures of the Main Roads Staff Credit Union Limited, during the year ending 30th June, 1976.

The examination has revealed that the receipt and payment of moneys, the registration and safekeeping of securities and all other matters have been properly accounted for and that the Credit Union is being conducted in a proper manner and in the best interests of its members.

During the year Mr. I.H. McKay resigned from the Supervisory Committee and his position was filled by Mr. K.M. Calvert.

Signed : I. H. McKAY D. JOHNSON
 K.M. CALVERT R. BRADLEY
 I. V. LINDEMAN

Dated : 15th September, 1976