

**MAIN ROADS STAFF
CREDIT UNION LIMITED**



**14TH ANNUAL REPORT
TO MEMBERS**

For the year Ended

30th June, 1978

DIRECTORS:

M.A. LLOYD (Chairman)

N.D. KING

H. MUDIE

C.W. LACY

E.J. HANLON

M.B. FAIRLIE

K.D. HADLEY

*

ADMINISTRATION:

D.L. JONES Secretary/Manager

L. DARE

I. OGILVIE

S. DEWSON

*

AUDITORS:

COUNSEL & O'NEILL

Suite 8 Hartill-Law Ave.,

BARDWELL PARK.

*

SOLICITORS:

J.B. LANGE & BURKE

155 Castlereagh St.

SYDNEY.

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BANKERS:

BANK OF N.S.W.

Wales House Branch

Pitt St.,

SYDNEY.

CHAIRMAN'S REPORT

I have pleasure in presenting to the members, on behalf of the Board of Directors, the 14th Annual Report and Audited Financial Statements for the year ended 30th June, 1978.

Despite the economic uncertainty within the community your Credit Union continued its steady growth in both increased membership and business transacted during 1977/78. The net surplus of \$24,444, after taxation, has been used to further strengthen the Credit Union's Reserves to allow greater flexibility in providing a much needed service to members at competitive rates.

MEMBERSHIP

Membership increased by a record 298 to 2,895 as at 30th June, 1978. It is encouraging to note that a large number of young people are joining the Credit Union together with wives and children of departmental employees. Membership of employees under the wages division of the Department continues to grow and now totals 391, an increase of 121 over the previous year.

INTEREST RATES

The interest rate on savings was again declared at 9.5% per annum calculated on the minimum four weekly balance. Interest was credited to member's accounts on the 1st July, 1978.

This is the second year that this excellent rate has applied despite reduced interest rates of other financial institutions.

Loan interest remained unchanged at 13% per annum calculated fortnightly on the reducing balance of principal. This is equivalent to a flat rate of interest of 6.84% per annum over the full term of the loan.

Following the recent downward trend in interest rates in the community, the Board of Directors reviewed the abovementioned interest rates of your Credit Union. However, it was considered that the loan rate should not be altered whilst it remained competitive with personal loans granted by banks and finance companies. Likewise, interest on savings should be at the best possible rate to attract sufficient deposits to fulfil the unpaid loan applications on hand and applications expected in the future.

SAVINGS

For the first time, since the incorporation of your Credit Union in 1964, members savings have exceeded \$2 million. Savings increased by a record \$469,000 to a total of \$2,115,083.

The bulk of savings received are through payroll deduction. Members are reminded that lump sum deposits are always welcome and that the Office Staff would be pleased to offer any advice in this regard.

LOANS

A record number of 808 loan applications were considered during the year resulting in advances to members of \$1,456,000. The outstanding balance of loans as at 30th June, 1978 totalled \$1,879,548, a net increase of \$366,000 over the previous year.

Loans secured by contributions to the State Superannuation Fund or the New South Wales Retirement Fund have been increased to \$5,000, provided the amount of the members contributions are in accordance with the rules.

BAD DEBTS

It was necessary to write off loans totalling \$4,678 during the year as bad debts. This brings the net total of loans written off, over the past 14 years, to \$10,500 which is well below the average for the credit union movement when compared with loans granted over the same period totalling \$6.8 million.

Members may rest assured that loans written off are not forgotten but pursued to the limit by continuing and persistent action.

LOAN PROTECTION INSURANCE

All loans, up to a maximum of \$10,000, are covered by the credit union's loan protection insurance policy in the event of the death of a borrower. This policy is provided at no cost to the borrower.

A.C.C.U.

Your Credit Union, together with 46 other Credit Unions, is affiliated with the Association of Central Credit Unions Ltd. which provides an invaluable service to its members and the movement generally. The Association also provides through its Interlend Fund and Central Banking Scheme a safe and rewarding area of investment or, if need be, borrowing by member Credit Unions.

Your Credit Union joined the Central Banking Scheme during the year which has resulted in interest totalling \$7,069 being received, which would not be available through normal banking facilities.

APPRECIATIONS

On behalf of the Directors I wish to take this opportunity to express our sincere appreciation to:

The Commissioner and Acting Deputy Commissioner for Main Roads for their continued support and the provision of new and spacious accommodation.

The many behind the scenes members in Divisional Offices, Works Offices and Central Workshop who have ably assisted the Directors and Staff and furthered the cause of the Credit Union.

The Supervisory Committee, Auditors and the Staff of a number of Head Office Sections who have all assisted and added to the smooth operation of the Credit Union.

And finally to the Credit Union Staff for a job well done.

CONCLUSION

The Credit Union Savings Reserve Fund, set up by the Government during the year, will become operational during 1978/79 and thus provide a complete safeguard to members saving with credit unions that are accepted by the Fund.

The Directors are confident that your Credit Union will be accepted and thus look forward to the coming year with confidence and anticipation of even greater growth with the support of all employees of the Department of Main Roads.

(M.A. Lloyd)

Chairman

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 1978

1977	Income received was made up of:-	1978
\$		\$
181,002	Interest on Loans	219,419
7,065	Interest on Investments	12,189
209	Entrance Fees	260
582	Bad Debts Recovered	-
-	Bank Interest	7,069
<u>\$188,858</u>		<u>\$238,937</u>
Expenditure incurred amounted to:-		
1,270	Audit Fees (The Auditors have received no other benefits)	1,800
17	Advertising	13
493	Affiliation Fees	658
-	Bad Debts Written Off	4,678
939	Bank Charges	1,207
-	Brokerage	180
1,300	Computer Hire	1,300
133	Debt Collection Fees	30
171	Depreciation	159
385	General Expenses	865
575	Honorariums	480
	Insurances	
210	- Fidelity Insurance	505
66	- Workers Insurance	99
5,729	- Loan Protection	7,610
118,519	Interest on Members Savings	152,414
3,676	Interest on Loan from A.C.C.U.	399
757	Postages and Stamp Duty	1,277
504	Printing and Stationery	1,733
-	Program Amendment	400
6,000	Provision for Doubtful Debts	4,000
302	Provision for Income Tax	1,320
1,421	Provision for Staff Leave	379
500	Rent	750
-	Repairs and Maintenance	27
29,093	Salaries	31,560
602	Superannuation	650
<u>\$172,662</u>		<u>\$214,493</u>
	Excess of Income over Expenditure transferred to Profit and Loss	
16,196	Appropriation Account	24,444
<u>\$188,858</u>		<u>\$238,937</u>

PROFIT AND LOSS APPROPRIATION

16,457	Balance Brought Forward	25,849
16,196	Net Surplus for the year	24,444
-	Overprovision for Taxation	59
68	Less Underprovision for Taxation	59
6,735	Transfer to Statutory Reserve	8,842
<u>\$25,849</u>		<u>\$41,510</u>

BALANCE SHEET AS AT 30TH JUNE, 1978

1977	ASSETS	1978
\$		\$
	Fixed Assets:-	
869	Office Equipment (At Cost Less Depreciation)	2,592
10	Shares in Association of Central Credit Unions	10
	Investments:-	
15,000	N.S.W. Permanent Building Soc. Ltd.	-
15,000	St. George Permanent Building Soc. Ltd.	5,000
7,741	R.S.L. Permanent Building Soc.	-
15,000	Hibernian Building Soc.	-
10,000	Permanent of Australia Building Soc. Ltd.	-
15,000	United Permanent Building Soc. Ltd.	-
-	Sydney Water Board	50,000
-	Australian Resources Developmental Bank	18,000
61,259	Investment in Association of Central Credit Unions	73,000
-	Savings Reserve Fund	122,832
	Current Assets:-	
13	Prepayments	317
323	Accrued Interest on Investments	1,616
114,015	Cash at Bank	158,426
2,040	Cash on Hand	3,040
		163,399
	Advances:-	
1,498,385	Loans to Members	1,879,548
	Less: Provision for Doubtful Debts	19,000
		1,860,548
\$1,754,655		\$2,236,669

LIABILITIES

25,970	Subscribed Capital	28,950
33,362	Statutory Reserve	42,205
-	Asset Revaluation Reserve	382
25,849	Profit and Loss Appropriation	41,510
85,181		113,047
1,645,262	Members Deposits	2,115,083
19,257	Loan - Association of Central Credit Unions	-
	Current Liabilities:-	
2,511	Accrued Charges	4,699
302	Provision for Income Tax	1,320
2,141	Provision for Staff Leave	2,520
		8,539
\$1,754,655		\$2,236,669

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, 1978.

In our opinion, the Register 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
 Partner: B.F. Coffey
 24th August, 1978

Registered Public Accountants and Auditors

(Registered under the Public Accountants
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 ended 30th June, 1978.

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 keeping all records it is required to keep and is conducting its affairs in a proper manner and in the best interests of its members.

The Committee wishes to place on record its appreciation of the assistance given by Mr. F.A. Smith in the examination and checking of records during the year.

Signed: I.V. LINDEMAN D. JOHNSON.
 N.W. JACKSON R. BRADLEY

Dated: 11th September, 1978