

16th

ANNUAL REPORT

1980

MAIN ROADS STAFF CREDIT UNION LIMITED

Board of Directors

M. A. LLOYD (*Chairman*)
H. MUDIE G. VASSALLO
E. J. HANLON K. EDGAR
K. D. HADLEY A. J. R. WATSON

Administration

D. L. JONES (*Secretary/Manager*)
L. DARE
I. HOFFMAN
S. DEWSON
J. BUTLER

Auditors

HOLMES & HARRINGTON
54 Park Street, Sydney

Solicitors

J. B. LANGE & BURKE
Cnr. King & George Streets, Sydney

Bankers

Bank of New South Wales
Pitt Street, Sydney

CHAIRMAN'S REPORT

The financial accounts for the year ended 30th June, 1980 emphasize the continuing strength and stability of your Credit Union. The increased rate of inflation during the year has had its affect on the funds generally available within the community. This together with an increase in the maximum borrowings by members has resulted in an increased loan demand far in excess of the funds raised from the members. For example loan applications increased during 1979/80 by 72% compared to a 28% increase in deposits. This is seen as the basic reason for the 3 month delay in meeting the members' loan requirements.

The Board negotiated a short term loan from A.C.C.U. to service the increased demand and to reduce the delay. However, the use of external funds to finance loans, i.e. borrowing short and lending long has limited appeal and should be used in emergency situations only. The position is constantly under review and the Board has recently increased interest rates payable on term saving investments with a view to attracting a substantial increase in deposits from current and potential members. Tighter lending controls have also been introduced in order to satisfy the majority of members and reduce the loan delay.

The net surplus of \$67,046^{126,487} has been retained in the Appropriation Account to further consolidate the Credit Union's financial position. The chart on the opposite page details movement in the main items which clearly indicates the steady growth of the Credit Union. The very competitive loan rate of 12.5% per annum remained unchanged during 1979/80 and it is expected that this rate will continue during the coming year.

Appreciations:

On behalf of my fellow Directors I wish to take this opportunity to welcome the many new members who joined the Credit Union during the year.

The Directors and I also extend our sincere appreciation to:

The Commissioner and Deputy Commissioner for their continued support to this Credit Union.

The various committees and numerous D.M.R. employees in all Offices throughout the state for their assistance to the Board and Staff of the Credit Union. The very best wishes are also extended to Clem Lacy who retired from the Board and Department in July 1980. Clem served the members well during his 5 years on the Board.

My own personal thanks are extended to my colleagues on the Board and the Credit Union Staff for their continued efforts and loyal support during the year.

Conclusion:

It is with pleasure and a great deal of satisfaction that I present to the members, on behalf of the Board, the 16th Annual Report and audited Balance Sheet and Income and Expenditure Statement for the year ended 30th June, 1980. The Board looks forward to your full co-operation and support to maintain the continued success of the Credit Union into the 1980s.

M. A. LLOYD, Chairman of the Board.

5 YEAR GROWTH CHART

| | 1976 | 1977 | 1978 | 1979 | 1980 | % INCREASE 1979/1980 |
|-------------------------------|-----------|-----------|-----------|-----------|------------|-------------------------|
| MEMBERSHIP | 2,566 | 2,806 | 2,895 | 3,357 | 3,878 | 15.5 |
| TOTAL ASSETS | 1,390,148 | 1,754,655 | 2,236,669 | 3,109,447 | 4,190,580 | 34.8 |
| MEMBERS' LOANS | 1,233,930 | 1,513,385 | 1,860,548 | 2,598,644 | 3,888,905 | 49.7 |
| LOANS GRANTED EACH YEAR | 835,822 | 1,181,425 | 1,456,356 | 2,037,928 | 3,118,214 | 53.0 |
| LOANS GRANTED SINCE FORMATION | 4,478,389 | 5,659,814 | 7,116,170 | 9,154,098 | 12,272,312 | 34.1 |
| MEMBERS' SAVINGS | 1,268,864 | 1,645,263 | 2,115,083 | 2,936,126 | 3,781,503 | 28.8 |
| GROSS INCOME | 140,140 | 188,858 | 238,937 | 311,329 | 435,062 | 39.7 |
| INTEREST PAID TO MEMBERS | 84,931 | 118,519 | 152,414 | 201,394 | 279,019 | 38.5 |
| TOTAL TURNOVER | 1,895,655 | 2,830,387 | 3,487,580 | 4,727,893 | 6,168,367 | 30.5 |
| NUMBER OF STAFF | 3 | 3 | 4 | 4 | 5 | — |
| STAFF/MEMBER RATIO | 855.33 | 935.33 | 723.75 | 839.25 | 775.60 | — |

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1980

| 1979 | | 1980 |
|--------------------|---|------------|
| \$ | | \$ \$ |
| INCOME | | |
| 284,531 | Interest on Loans | 399,468 |
| 26,448 | Interest on Investments | 35,217 |
| 350 | Entrance Fees | 377 |
| 311,329 | | 435,062 |
| | Less: | |
| | Interest Paid on Members' | |
| 195,548 | Savings — At Call | 229,313 |
| 5,846 | — Term. | 49,706 |
| — | Interest on A.C.C.U. Loan | 3,625 |
| 201,394 | | 282,644 |
| 109,935 | | 152,418 |
| EXPENDITURE | | |
| 452 | Affiliation Fees | 392 |
| 1,880 | Audit Fees | 2,500 |
| 328 | Bank Charges | 1,238 |
| 1,300 | Computer Hire | 1,300 |
| 90 | Debt Collection Fees | 35 |
| 270 | Depreciation | 299 |
| 1,122 | General Office Expenses | 1,498 |
| 660 | Honorariums | 770 |
| 8,492 | Insurance — Loan Protection | 8,017 |
| 505 | — Fidelity | 505 |
| 91 | — Workers' Comp. | 81 |
| 1,262 | Postage & Stamp Duty | 1,942 |
| 1,629 | Printing & Stationery | 2,039 |
| 50 | Programme Amendment | 80 |
| 9,000 | Provisions — Doubtful Debts | 11,000 |
| 1,900 | — Staff Leave | 2,000 |
| 750 | Rent | 1,000 |
| — | Repairs and Maintenance | 35 |
| 38,107 | Salaries | 49,950 |
| 688 | Superannuation | 691 |
| 68,576 | | 85,372 |
| 41,359 | Operating Surplus Transferred to Appropriation Account | 67,046 |

APPROPRIATION ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1980

| 1979 | | 1980 |
|--------|--|---------|
| \$ | | \$ |
| 41,510 | Balance brought forward | 71,318 |
| 587 | Add: Provision for taxation 1977/78 | — |
| 41,359 | Operating surplus transferred from In- come and Expenditure account | 67,046 |
| 83,456 | | 138,364 |
| 12,138 | Less: Transfer to Statutory Reserve | 17,313 |
| 71,318 | Balance carried forward | 121,051 |

BALANCE SHEET AS AT 30th JUNE, 1980

| 1979 \$ | | 1980 \$ | \$ |
|------------------|---|------------|------------------|
| | MEMBERS' FUNDS | | |
| 33,570 | Issued Capital of 19,390 shares of \$2.00 each fully paid | 38,780 | |
| 54,343 | Statutory Reserve | 71,656 | |
| 382 | Asset Revaluation Reserve | 382 | |
| 71,318 | Appropriation Account | 121,051 | |
| <u>159,613</u> | | | 231,869 |
| | MEMBERS' DEPOSITS | | |
| 2,547,752 | Savings — At Call | 3,227,884 | |
| 388,374 | Term Investments | 553,619 | |
| <u>2,936,126</u> | | | 3,781,503 |
| | CURRENT LIABILITIES | | |
| 3,356 | Accrued Charges | 4,967 | |
| 5,846 | Accrued Interest | 11,983 | |
| 4,420 | Provision for Staff Leave | 6,420 | |
| 86 | Sundry Creditors | 160 | |
| — | A.C.C.U. Loan Borrowings (3) | 153,678 | |
| <u>13,708</u> | | | 177,208 |
| <u>3,109,447</u> | TOTAL LIABILITIES | | <u>4,190,580</u> |
| | FIXED ASSETS | | |
| 3,601 | Office Furniture and Fittings at cost | 4,897 | |
| 997 | Less: Provision for Depreciation | 1,296 | |
| <u>2,604</u> | | | 3,601 |
| | ADVANCES | | |
| 2,598,644 | Loans to Members | 3,888,905 | |
| 28,000 | Less: Provision for Doubtful Debts | 39,000 | |
| <u>2,570,644</u> | | | 3,849,905 |
| | INVESTMENTS | | |
| 10 | Shares in A.C.C.U. | 10 | |
| 104,729 | A.C.C.U. Interlend Deposits | 103,144 | |
| 50,000 | Sydney Water Board | 50,000 | |
| — | Department of Main Roads | 50,000 | |
| 18,000 | Australian Resources Develop. Bank | 18,000 | |
| 30,000 | Primary Industry Bank of Australia | 30,000 | |
| <u>202,739</u> | | | 251,154 |
| 19,998 | SAVINGS RESERVE FUND (4) | | 27,786 |
| | CURRENT ASSETS | | |
| 6,200 | Cash on Hand | 7,200 | |
| 303,942 | Cash at Bank — Interest Bearing | 45,425 | |
| 138 | Prepayments | 252 | |
| 3,182 | Accrued Interest on Investments | 5,257 | |
| <u>313,462</u> | | | 58,134 |
| <u>3,109,447</u> | TOTAL ASSETS | | <u>4,190,580</u> |

Notes to, and forming part of the Financial Statements

1. Basis of Preparation of Accounts:

The accounts have been prepared in accordance with conventional historical cost principles, together with the basic concepts of going concern and the accrual basis of accounting, and have not been adjusted to take into account either changes in the general purchasing power of the dollar or changes in the prices of specific assets.

2. Depreciation:

Depreciation is calculated on a straight line basis so as to write off the net cost of each fixed asset over its effective working life.

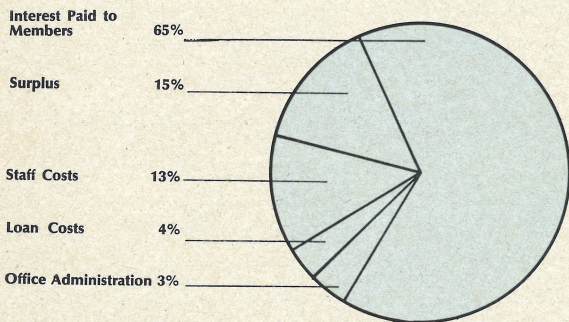
3. A.C.C.U. Loan Borrowings:

This amount represents the outstanding balance of a short term loan of \$200,000 borrowed to service the increased loan demand and is secured by an equitable mortgage over the assets of the Credit Union.

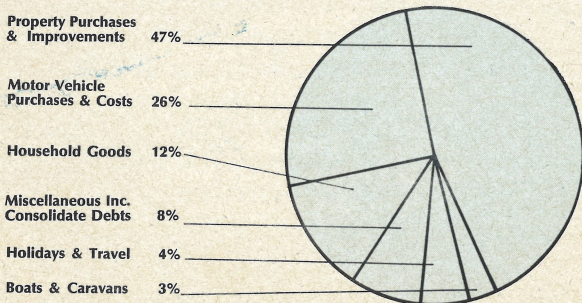
4. Savings Reserve Fund:

Deposits are made in accordance with the Credit Union Act and are available to the Savings Reserve Board to provide protection of the savings of members. Deposits are refundable only in the case of liquidation of this Credit Union.

HOW YOUR INCOME WAS USED



PURPOSE OF LOANS



AUDITOR'S REPORT TO THE MEMBERS

We have examined the books of account and records of Main Roads Staff Credit Union Limited for the year ended 30th June, 1980 and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept by Main Roads Staff Credit Union Limited, so far as appears from our examination of those books and the Balance Sheet, Appropriation and Income and Expenditure Statements, read in conjunction with the subject notes thereon, dealt with by our report are in agreement therewith and to the best of our information and according to the explanations given to us, the said accounts give information required by the Act under the Credit Union Act, 1969, in the manner so required and give a true and fair view of the state of the Credit Union's affairs as at 30th June, 1980, and the surplus for the financial year then ended.

In our opinion, the Register of Members and other records which the Credit Union is required to keep by or under the said 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.

Paul F. Grew (Partner)

HOLMES & HARRINGTON

Chartered Accountants

Registered under the Public Accountants'
Registration Act, 1945, as amended.

SYDNEY, July 1980.

54 Park Street

Sydney, N.S.W. 2000

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, 1980.

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.

Signed: J. R. Hardie B. T. Garratt
R. A. Campbell R. Bradley

Dated: 21st August, 1980.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of the Main Roads Staff Credit Union Limited will be held in the second floor Conference Room, 309 Castle-reagh Street, on Wednesday, 24th September, 1980 commencing at 1.05 p.m.

BUSINESS

- To confirm the minutes of the 15th Annual General Meeting held on Wednesday, 19th September, 1979.
- To receive the Chairman's Report, Auditor's Report, Supervisory Committee's Report, the Income & Expenditure Account and Balance Sheet for the year ended 30th June, 1980.
- To elect four Directors.
Messrs. M. A. Lloyd, H. Mudie, E. J. Hanlon and G. A. Vassallo retire in accordance with the rules and offer themselves for re-election.
- To elect two members to the Supervisory Committee.
Messrs. J. Hardie and R. Campbell retire in accordance with the rules and offer themselves for re-election.
- To appoint an Auditor and fix his remuneration.
- To transact any other business that may be brought forward in accordance with the rules.

Nomination forms for the appointment of Directors and Members of the Supervisory Committee are available on application from the undersigned. Nominations will close at 3 p.m. on 17th September, 1980 with the Secretary of the Credit Union. If required, a ballot will be conducted at the Annual General Meeting.

By Order of the Board,
D. L. JONES, Secretary.