

17th

ANNUAL REPORT

1981

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. WILLIAMS

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

It is with pleasure and a great deal of satisfaction that I present to the members, on behalf of the Board, the 17th Annual Report, Audited Balance Sheet and Income and Expenditure Statement for the year ended 30th June, 1981.

The exceptional growth rate of previous years steadied during 1980/81 as your Credit Union consolidated its position in the face of constant changing interest rates and a massive advertising campaign by Banks and other financial institutions following deregulation of the Banks. Despite these pressures, income exceeded expenditure by a record \$78 714, Credit Union liquidity was increased and good gains were made under most headings as detailed on the growth chart on the opposite page.

Members were also encouraged to consolidate their position, make the best use of their hard-earned savings and take advantage of changing interest patterns. This resulted in an increase of 17% in the total of members' savings and investments. An increasing number of members converted their savings to term investment accounts and higher interest rates. Amounts held in term investment accounts increased by a massive 131% and now account for 29% of all members' deposits. Increased membership and deposits resulted in the cash turnover of the Credit Union exceeding \$8 million for 1980/81, up 36% on the previous year.

It is with considerable regret that the Board had to adopt policies which restricted the borrowing of a number of members. As funds from other institutions became scarce or too expensive, more and more people turned to the Credit Union for low cost loans. As a result the demand for Credit Union loans far exceeded the funds available. It is considered that the current policies make the best use of funds in providing for the needs of most of the established Credit Union members. A record number of 1082 loan applications were processed during the year totalling \$3 010 000 compared with \$3 118 000 in the previous year.

The effect of the Campbell Committee of Inquiry into the Australian Financial System is also being closely watched. The Board together with State and Federal Associations are constantly monitoring the ever-changing financial scene.

Appreciations

On behalf of my fellow Directors I wish to welcome the many new members to the Credit Union and to acknowledge the continued support of the Credit Union and its ideal by the membership.

The passing of our respected Commissioner Brian Sexton during the year was very sad. Brian was a strong supporter of the Credit Union and we all miss him.

The Directors and I also extend our sincere appreciation to:—

The Acting Commissioner and Acting Deputy Commissioner for their continued support to the 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.

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

The Credit Union's aim is to improve the welfare and standard of living of D.M.R. employees and their families by encouraging savings, paying competitive interest rates and providing low cost loans. It is essential that the Credit Union raise and maintain an ever-increasing rate of deposits in order to finance the large loan demand.

Your Credit Union provides a sound, well-based and secure financial service, therefore ARE YOU DOING YOUR PART to help your financial enterprise grow.

M. A. LLOYD, *Chairman of the Board.*

5 YEAR GROWTH CHART

	1977	1978	1979	1980	1981	% INCREASE 1980/81
MEMBERSHIP	2 806	2 895	3 357	3 878	4 377	12.9
TOTAL ASSETS ..	1 754 655	2 236 669	3 109 447	4 190 580	4 924 344	17.5
MEMBERS' LOANS	1 513 385	1 860 548	2 598 644	3 888 905	4 534 066	16.6
LOANS GRANTED EACH YEAR	1 181 425	1 456 356	2 037 928	3 118 214	3 010 243	3.4 (—)
LOANS GRANTED SINCE FORMATION ..	5 659 814	7 116 170	9 154 098	12 272 312	15 282 555	24.5
MEMBERS' SAVINGS ..	1 645 263	2 115 083	2 936 126	3 781 503	4 423 167	17.0
GROSS INCOME ..	188 858	238 937	311 329	435 062	570 511	31.1
INTEREST PAID TO MEMBERS ..	118 519	152 414	201 394	279 019	363 166	30.2
TOTAL TURNOVER	2 830 387	3 487 580	4 727 893	6 168 367	8 390 869	36.0
NUMBER OF STAFF	3	4	4	5	5	—
MEMBER/STAFF	935.33	723.75	839.25	775.60	875.40	—

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1981

1980 \$		1981 \$
	INCOME	
399 468	Interest on Loans	536 695
35 217	Interest on Investments ..	33 403
377	Entrance Fees	413
435 062		570 511
	Less:	
	Interest paid on Members' Savings	
229 313	—At Call	261 161
49 706	—Term	102 005
3 625	Interest on ACCU Loan ..	18 240
282 644		381 406
152 418		189 105
	EXPENDITURE	
392	Affiliation Fees	515
2 500	Audit Fees (2)	2 808
—	Bad Debts—Written Off ..	6 268
1 238	Bank Charges	2 188
1 300	Computer Hire	1 300
35	Debt Collection Fees	93
299	Depreciation (3)	432
1 498	General Office Expenses	2 416
770	Honorariums	800
8 017	Insurance — Loan Protection	8 410
505	— Fidelity	891
81	— Workers' Comp.	147
1 942	Postage & Stamp Duty	2 759
2 039	Printing & Stationery	2 665
80	Programme Amendment ..	—
11 000	Provisions — Doubtful Debts	7 000
2 000	Provisions — Staff Leave ..	1 280
1 000	Rent	1 000
35	Repairs & Servicing ..	34
49 950	Salaries	67 039
691	Superannuation	1 343
—	Staff/Directors' Training ..	1 003
85 372		110 391
67 046	Operating Surplus Transferred to Appropriation Account	78 714

APPROPRIATION ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1981

1980 \$		1981 \$
71 318	Balance brought forward	121 051
67 046	Add: Operating surplus transferred from In- come and Expenditure Account	78 714
138 364		199 765
17 313	Less: Transfer to Statutory Reserve ..	22 094
—	Transfer to Computer Conversion Reserve ..	20 000
121 051	Balance carried forward	157 671

BALANCE SHEET AS AT 30th JUNE, 1981

1980 \$		1981 \$	\$
	MEMBERS' FUNDS		
38 780	Issued Capital of 21 885 shares of \$2.00 each fully paid	43 770	
71 656	Statutory Reserve	93 750	
382	Asset Revaluation Reserve	382	
—	Computer Conversion Reserve	20 000	
121 051	Appropriation Account	157 671	
<u>231 869</u>			315 573
	MEMBERS' DEPOSITS		
3 227 884	Savings — At Call	3 144 606	
553 619	Term Investments	1 278 561	
<u>3 781 503</u>			4 423 167
	CURRENT LIABILITIES		
4 967	Accrued Charges	5 989	
11 983	Accrued Interest	28 025	
6 420	Provision for Staff Leave	7 700	
160	Sundry Creditors	199	
153 678	ACCU Loan Borrowings (4)	143 691	
<u>177 208</u>			185 604
<u>4 190 580</u>	TOTAL LIABILITIES		<u>4 924 344</u>
	FIXED ASSETS		
4 897	Office Furniture & Fittings at cost	5 494	
1 296	Less: Provision for Depreciation ..	1 728	
<u>3 601</u>			3 766
	ADVANCES		
3 888 905	Loans to Members	4 534 066	
39 000	Less: Provision for Doubtful Debts	46 000	
<u>3 849 905</u>			4 488 066
	INVESTMENTS		
10	Shares in ACCU	10	
103 144	ACCU Interlend Deposits	220 900	
50 000	Sydney Water Board	50 000	
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>251 154</u>			368 910
27 786	SAVINGS RESERVE FUND (5)		32 702
	CURRENT ASSETS		
7 200	Cash on Hand	9 200	
45 425	Cash at Bank—Interest Bearing ..	13 565	
252	Prepayments	240	
5 257	Accrued Interest on Investments ..	7 895	
<u>58 134</u>			30 900
<u>4 190 580</u>	TOTAL ASSETS		<u>4 924 344</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. Audit Fee:

The Auditor received no other benefits.

3. 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.

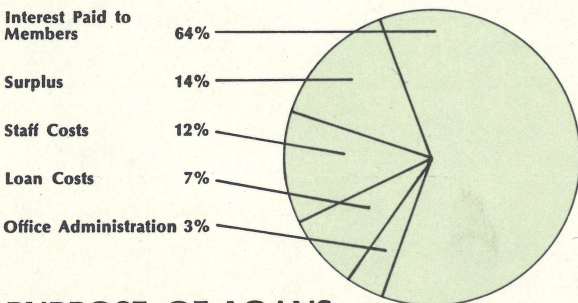
4. ACCU Loan Borrowings:

This amount represents the outstanding balance of a short term loan of \$300 000 borrowed to service the increased loan demand and is secured by a floating charge over the assets of the Credit Union.

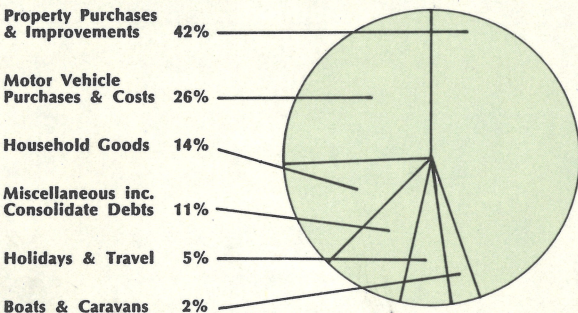
5. Savings Reserve Fund:

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, 1981 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 or 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, 1981, 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, 26th August, 1981
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, 1981.

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: August, 1981

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 17th 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, 30th September, 1981 commencing at 1.05 p.m.

BUSINESS

- To confirm the Minutes of the 16th Annual General Meeting held on Wednesday, 24th September, 1980.
- 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, 1981.
- To elect three Directors.
Messrs. K. D. Hadley, K. Edgar and A. J. R. Watson retire in accordance with the rules and offer themselves for re-election.
- To elect two members to the Supervisory Committee.
Messrs. R. Bradley and J. Hardie 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 25th September, 1981 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.