

20th

ANNUAL REPORT

1984

MAIN ROADS STAFF CREDIT UNION LIMITED

Board of Directors

K. D. HADLEY (*Chairman*)

E. J. HANLON
G. VASSALLO
A. J. R. WATSON

C. N. PENNEY
D. R. WILLIAMS
G. D. O'CONNOR

Administration

D. L. JONES (*Secretary/Manager*)

L. WILLIAMS
I. OGILVIE

S. JENSEN
C. RITCHIE

Auditors

HOLMES & HARRINGTON
54 Park Street, Sydney

Solicitors

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

Bankers

WESTPAC BANKING CORP.
Pitt Street, Sydney

CHAIRMAN'S REPORT—1983/84

On behalf of the Board of Directors I have pleasure in submitting the 20th Annual Report, Audited Balance Sheet and Income & Expenditure Statement for the year ended 30th June, 1984.

The Credit Union, through the efforts of many people, has again achieved outstanding operational results. Highlights of 1983/84 were:

- * total assets now stand at over \$8 million (up 21.9% on last year);
- * loans to members increased by over 31% and savings by more than 21%.
- * gross income topped \$1 million and was up 32% on 1982/83;
- * interest paid to members increased by almost 20% and represented a return to members of 64% of gross income.

Membership increased to a total of 4574, which is a 6% rise on the previous year's total.

As shown in the Income & Expenditure Account, there was a net surplus of \$98,609, which has been retained in the Appropriation Account to further consolidate the Credit Union's financial position.

The following operating ratios, which have been documented by independent specialists, further reflect the performance of our Credit Union:

MARCH QUARTER — 1984

OPERATING RATIOS	MAIN ROADS CREDIT UNION	CREDIT UNIONS WITH MEMBERSHIP OF 3000-4999 PERSONS	ALL CREDIT UNIONS
Wages, etc., paid per member	\$5.35	\$9.80	\$10.10
Other expenses per member ..	\$3.34	\$12.30	\$13.40
Wages as % of Income	9.9	13.1	12.9
Other Expenses as % of Income	6.2	16.3	17.0
Quarterly Income as % of Total Funds	3.5	4.3	4.1
Loans Outstanding as % of Withdrawable Funds	88.4	93.7	83.5

As stated in the last Annual Report, the Credit Union purchased a micro-computer and printer with the aim of providing members with a wider range of savings accounts, daily interest calculations and immediate update of members' savings (thereby facilitating, among other things, the introduction of telephone withdrawals). Despite sustained efforts by the Board and by the Secretary/Manager, the position has only recently been reached where the micro-computer system will be ready to commence a trial run in October 1984. The system should be fully operational by the end of October.

The Secretary/Manager, Mr D. L. Jones, and his staff gave another year of outstanding, efficient and loyal

service. The very favourable operating ratios quoted earlier in this report stemmed mainly from their efforts.

The Credit Union, of course, can only continue to operate with the assistance of the Department. We again thank the Commissioner and Deputy Commissioner for their support.

Finally, I thank (a) the Credit Committees in the field and the Supervisory Committee, all of whom continue to play very valuable parts in the successful operation of the Credit Union; and (b) my fellow Directors who have willingly and effectively given of their personal time and talents.

CONCLUSION

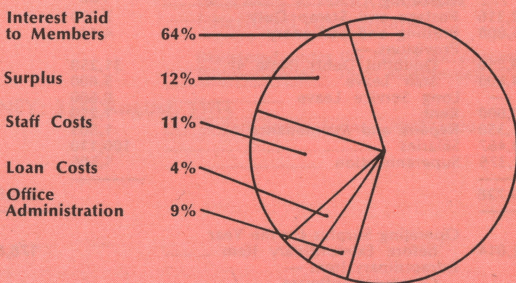
The Credit Union has an important part to play in the overall Departmental scheme.

With the on-going support of members there will continue to be a steady growth rate and increasing levels of service, all of which will add further to the well-being of members.

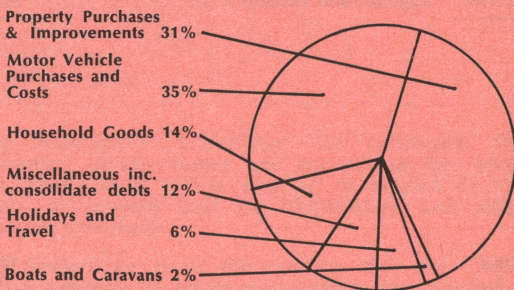
I am pleased to have been Chairman for the last two years and I know that the incoming Board can again look to the year ahead with confidence.

K. D. HADLEY
Chairman of the Board

HOW YOUR INCOME WAS USED



PURPOSE OF LOANS



INCOME & EXPENDITURE ACCOUNT for the Year Ended 30th June, 1984

1983		1984
\$		\$
706,021	INCOME	
113,643	Interest on Loans	913,221
190	Interest on Investments	162,344
—	Entrance Fees	247
—	Bad Debts Recovered	1,275
—	Commission	7,335
819,854		1,084,422
276,089	Less: Interest paid to Members'	
306,023	Savings — at Call	297,929
	Term Investments	397,815
582,112		695,744
237,742		388,678
	EXPENDITURE	
545	Affiliation Fees	965
3,515	Audit Fees (Note 2)	4,118
2,431	Bad Debts Written Off	869
4,291	Bank Charges	4,509
5,114	Cash Delivery Service	6,509
1,300	Computer Hire	1,350
1,529	Debt Collection Fees	198
2,510	Depreciation (Note 3)	2,286
1,118	Federal Debit Tax	4,937
2,161	Financial Institutions Duty	4,615
3,211	General Office Expenses	4,205
560	Honorariums	620
—	Income Tax Expense	840
	Insurance —	
9,909	Loan Protection	14,449
2,171	Fidelity	2,676
221	Workers' Compensation	447
772	Marketing	—
2,316	Postage and Stamp Duty	3,720
5,008	Printing and Stationery	4,444
	Provisions —	
9,250	Doubtful Debts (Note 4)	31,250
4,600	Staff Leave	3,800
—	Long Service Leave	8,600
1,000	Rent	1,250
1,350	Repairs and Maintenance	1,509
90,467	Salaries	100,110
1,379	Superannuation	1,596
156,728		209,872
81,014	Operating Surplus for the Year before Extraordinary Item	178,806
—	Extraordinary Item —	
	Computer Software	
	Development Costs Written Off	80,197
81,014	Surplus for the Year transferred to Appropriation Account	98,609

APPROPRIATION ACCOUNT for the Year Ended 30th June, 1984

1983		1984
\$		\$
196,757	Balance Brought Forward	228,118
81,014	Add: Surplus transferred from	
	Income & Expenditure Account	98,609
	Transfer from Computer	
(20,000)	Conversion Reserve	60,000
257,771		386,727
29,653	Less: Transfer to Statutory Reserve	37,000
228,118	Balance Carried Forward	349,727

BALANCE SHEET

as at 30th June, 1984

1983		1984
\$		\$
	FIXED ASSETS	
56,226	Computer Software Development	—
17,498	Office Furniture and Fittings	25,498
5,012	at cost	7,298
	Less: Provision for Depreciation	—
<u>68,712</u>		<u>18,200</u>
	ADVANCES	
5,297,379	Loans to Members	6,516,577
66,250	Less: Provision for	—
	Doubtful Debts (Note 4)	97,500
<u>5,231,129</u>		<u>6,419,077</u>
	INVESTMENTS	
50,000	Premier State Bonds	100,000
—	Australian Savings Bonds	100,000
10	Shares in ACCU	10
831,103	ACCU Interlend Deposits	921,205
	ACCU Subordinated Deferred	—
30,000	Deposits	30,000
	Department of Main Roads —	—
100,000	Inscribed Stock	50,000
	Australian Resources Development	—
65,000	Bank — Deposit	60,000
30,000	Primary Industry Bank of Aust.	—
	— Deposit	30,000
<u>1,106,113</u>		<u>1,291,215</u>
41,668	SAVINGS RESERVE FUND (Note 5)	52,905
	CURRENT ASSETS	
18,200	Cash on Hand	25,200
142,967	Cash at Bank—Interest Bearing	203,160
240	Prepayments	2,626
21,413	Accrued Interest on Investments	37,495
<u>182,820</u>		<u>268,481</u>
<u>6,630,442</u>	TOTAL ASSETS	<u>8,049,878</u>
	MEMBERS' FUNDS	
	Issued Capital: 22,870 Shares of \$2	
43,140	each fully paid	45,740
148,700	Statutory Reserve	185,700
382	Asset Revaluation Reserve	382
60,000	Computer Conversion Reserve	—
228,118	Appropriation Account	349,727
<u>480,340</u>		<u>581,549</u>
	MEMBERS' DEPOSITS	
3,423,003	Savings — at Call	4,099,960
2,627,611	Term Investments	3,278,599
<u>6,050,614</u>		<u>7,378,559</u>
	CURRENT LIABILITIES	
7,531	Accrued Charges	3,473
77,458	Accrued Interest	58,582
14,200	Provision for Staff Leave	18,000
—	Provision for Long Service Leave	8,600
299	Sundry Creditors	275
—	Provision for Taxation	840
<u>99,488</u>		<u>89,770</u>
<u>6,630,442</u>	TOTAL LIABILITIES	<u>8,049,878</u>

NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS

1. BASIS OF PREPARATION OF ACCOUNTS

The accounts have been prepared in accordance with conventional historical cost principles, together with the basic concept 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 FEES

The auditor received no other benefits.

3. DEPRECIATION

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

4. PROVISION FOR DOUBTFUL DEBTS

In accordance with a decision of the Board of Directors, the provision for doubtful debts has been increased by \$31,250 to \$97,500 which represents 1.5% of the total value of loans outstanding. The provision required by the Credit Union Act is \$28,466.

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.

5 YEAR GROWTH CHART

	1980	1981	1982	1983	1984	% INCREASE 1983/1984
Membership	3,878	4,377	4,240	4,314	4,574	6.0
Total Assets	4,190,580	4,924,344	5,194,071	6,630,442	8,080,074	21.9
Members' Loans	3,888,905	4,534,066	4,572,656	5,297,379	6,516,577	23.0
Loans Granted Each Year	3,118,214	3,010,243	2,530,524	2,950,279	3,886,801	31.7
Loans Granted Since Formation	12,272,312	15,282,555	17,813,079	20,763,358	24,650,159	18.7
Members' Savings	3,781,503	4,423,167	4,733,724	6,050,614	7,378,559	21.9
Gross Income	435,062	570,511	665,549	819,854	1,084,422	32.3
Interest Paid to Members	279,019	363,166	449,336	582,112	695,743	19.5
Total Turnover	6,168,367	8,390,869	9,345,558	10,132,651	12,722,848	25.6
Number of Staff	5	5	5	5	5	
Member/Staff Ratio	775	875	848	862	914	

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, 1984, 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 & 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 required and give a true and fair view of the state of the Credit Union's affairs as at 30th June, 1984, 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: 31st August, 1984

54 Park Street, Sydney, NSW 2000

REPORT OF THE SUPERVISORY COMMITTEE — 1983/84

The Supervisory Committee has continued the examination of the books and records of the Main Roads Staff Credit Union Limited in respect of the receipts of moneys and the registration and safe-keeping of securities.

The Committee is of the opinion that the Credit Union is keeping its books and records in accordance with the rules and the Credit Union Act.

Signed:

R. BRADLEY
M. YOUNG

Dated: 31st August, 1984

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the Main Roads Staff Credit Union Limited will be held in the second floor Conference Room, 309 Castlereagh Street, Sydney, on Wednesday, 26th September, 1984, commencing at 1.05 pm.

BUSINESS

To confirm the Minutes of the 19th Annual General Meeting held on Friday, 30th September, 1983.

* 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, 1984.

* To elect four Directors.
Messrs E. J. Hanlon, G. Vassallo, D. R. Williams and G. D. O'Connor retire in accordance with the rules and all except Mr E. J. Hanlon offer themselves for re-election.

* To elect two members to the Supervisory Committee.
Mr M. Young retires in accordance with the rules and offers himself 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 4 pm on 25th September, 1984, 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