

21st
**ANNUAL
REPORT**
1985

**MAIN ROADS STAFF
CREDIT UNION LIMITED**

BOARD OF DIRECTORS

K. D. HADLEY (Chairman)

G. VASSALLO
A. J. R. WATSON
C. N. PENNEY

D. R. WILLIAMS
G. D. O'CONNOR
R. S. SINCLAIR

ADMINISTRATION

D. L. JONES (Secretary/Manager)

L. WILLIAMS
I. OGILVIE

S. JENSEN
C. HILL

L GEASON

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 — 1984/85

On behalf of the Board of Directors, I have pleasure in submitting the 21st Annual Report, Audited Balance Sheet and Income and Expenditure Statement for the year ended 30th June, 1985.

The results of the year's trading have, in short, again been most encouraging. Highlights of the year's results were:

- Total assets now stand at \$8.6M (up 6.7% on last year);
- Loans to members increased by nearly 9% and savings by over 5%;
- Gross income exceeded \$1.25M and was up 13% on 1983/84; and
- Interest paid to members increased by nearly 5% and represented a return to members of 59% of gross income.

The foregoing results need to be viewed in the light of the tremendous growth achieved in 1983/84.

Membership increased to a total of 4708, which is a 3% rise on the previous year's total.

As shown in the Income and Expenditure Account, there was a net surplus of \$176,931, which has been transferred to the Appropriation Account to further consolidate the Credit Union's financial position. This surplus was about 77% greater than that realised in the 1983/84 financial year.

In the Chairman's Report for 1983/84 it was foreshadowed that a micro-computer system was expected to commence a trial run in October, 1984. A number of very real difficulties, outside the scope of the Credit Union, were encountered and the position has only just been reached as this report goes to press where we are in a position to offer members a full range of benefits which stem from a computer based system.

I again thank the Commissioner and Deputy Commissioner for their support of the Credit Union. We value that support.

The Credit Committees in the field and the Supervisory Committee have continued to be an important and integral part of our Credit Union. The Board of Directors again thank them on behalf of all members.

Finally, I once more commend Mr D. L. Jones and his staff for their completely dedicated service to the Credit Union. Their effectiveness continues at the very high level of past years.

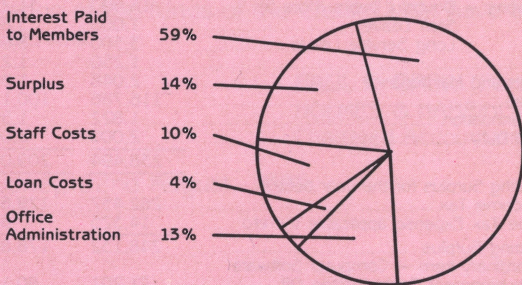
CONCLUSION

It has been a pleasure to work with the other Directors and I thank them for their continued enthusiasm and good management.

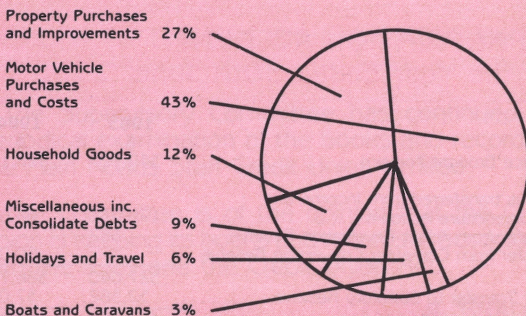
I have no doubt that the Credit Union will continue to go from strength to strength and that the coming year will see the fruits of the efforts by the Secretary/Manager, his staff, the Board of Directors and others.

K. D. HADLEY
Chairman of the Board

HOW YOUR INCOME WAS USED



PURPOSE OF LOANS



INCOME & EXPENDITURE ACCOUNT for the Year Ended 30th June, 1985

	1985	1984
	\$	\$
INCOME		
Interest on Loans	1,030,662	913,221
Interest on Investments	182,531	162,344
Entrance Fees	213	247
Bad Debts Recovered	—	1,275
Commission	16,120	7,335
	1,229,526	1,084,422
<i>Less:</i>		
Interest paid to Members' Savings — At Call	312,100	297,929
— Term Savings	416,475	397,815
	728,575	695,744
	500,951	388,678
 EXPENDITURE		
Advertising — Staff	173	—
Affiliation Fees	1,430	965
Audit Fees (Note 2)	5,526	4,118
Bad Debts Written Off	21,936	869
Bank Charges	5,477	4,509
Cash Delivery Service	5,938	6,509
Computer Hire	1,300	1,350
Debt Collection Fees	1,186	198
Depreciation (Note 3)	4,490	2,286
Federal Debit Tax	5,486	4,937
Financial Institutions Duty	4,879	4,615
General Office Expenses	13,509	4,205
Honorariums	660	620
Insurance — Loan Protection	11,935	14,449
Fidelity	3,467	2,676
Workers' Compensation	556	447
Marketing	256	—
Postage and Stamp Duty	2,386	1,720
Printing and Stationery	5,998	4,444
Provisions — Doubtful Debts (Note 5)	13,500	31,250
Staff Leave	1,000	3,800
Long Service Leave	3,500	8,600
Rent	1,250	1,250
Repairs and Maintenance	2,048	1,509
Salaries	116,786	100,110
Superannuation	1,822	1,596
Stamp Duty	2,000	2,000
	238,494	209,032
Operating Surplus for the year before		
Income Tax	262,457	179,646
Income Tax Expense applicable thereto	14,325	840
Operating Surplus	248,132	178,806
Extraordinary Item — Computer Software		
Development Costs Written Off	71,201	80,197
Surplus for the year transferred to		
Appropriation Account	176,931	98,609

APPROPRIATION ACCOUNT for the Year Ended 30th June, 1985

	1985	1984
	\$	\$
Balance Brought Forward	349,727	228,118
<i>Add:</i>		
Surplus transferred from Income and Expenditure Account	176,931	98,609
Transfer from Asset Revaluation Reserve	382	—
Transfer from Computer Conversion Reserve	—	60,000
	527,040	386,727
<i>Less:</i> Transfer to Statutory Reserve	52,382	37,000
Balance Carried Forward	474,658	349,727

BALANCE SHEET as at 30th June, 1985

	1985	1984
	\$	\$
FIXED ASSETS		
Office Furniture, Fittings and Equipment at cost	43,534	25,498
Less: Provision for Depreciation	11,108	7,298
	32,426	18,200
ADVANCES		
Loans to Members	7,431,339	6,516,577
Less: Provision for Doubtful Debts (Note 5) ..	111,000	97,500
	7,320,339	6,419,077
INVESTMENTS		
Premier State Bonds	150,000	100,000
Australian Savings Bonds	100,000	100,000
Shares in ACCU	10	10
ACCU Interlend Deposits	610,375	921,205
Subordinated Deferred Deposits	40,000	30,000
Department of Main Roads - Inscribed Stock	50,000	50,000
Australian Resources Development Bank — Deposit	54,000	60,000
Primary Industry Bank of Aust. — Deposit ..	50,000	30,000
	1,054,385	1,291,215
SAVINGS RESERVE FUND (Note 6)	58,290	52,905
CURRENT ASSETS		
Cash on Hand	27,200	25,200
Cash at Bank — Interest Bearing	100,225	203,160
Prepayments	2,801	2,626
Accrued Interest on Investments	29,072	37,495
	159,298	268,481
TOTAL ASSETS	8,624,738	8,049,878
MEMBERS' FUNDS		
Issued Capital 23,540 shares of \$2 fully paid	47,080	45,740
Statutory Reserve (Note 4)	238,082	185,700
Asset Revaluation Reserve	—	382
Appropriation Account	474,658	349,727
	759,820	581,549
MEMBERS' DEPOSITS		
Savings — at Call	4,402,929	4,099,960
Term Investments	3,349,658	3,278,599
	7,752,587	7,378,559
CURRENT LIABILITIES		
Accrued Charges	5,922	3,473
Accrued Interest	60,636	58,582
Provision for Staff Leave	19,000	18,000
Provision for Long Service Leave	12,100	8,600
Sundry Creditors	347	275
Provision for Taxation	14,326	840
	112,331	89,770
TOTAL LIABILITIES	8,624,738	8,049,878

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. Statutory Reserve

	30/6/85	30/6/84
	\$	\$
Opening Balance	185,700	148,700
Transfer in accordance with the Statutory requirement	41,686	37,000
Additional transfer	10,696	
Closing Balance	<u>238,082</u>	<u>185,700</u>

5. Provision for Doubtful Debts

In accordance with a decision of the Board of Directors, the provision for doubtful debts has been increased by \$13,500 to \$111,000 which represents 1.5% of the total value of loans outstanding. The provision required by the Credit Union Act is \$42,512.

6. 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

	1981	1982	1983	1984	1985	% Increase 1985 1984/85
Membership	4,377	4,240	4,314	4,574	4,708	3.0
Total Assets	4,924,344	5,194,071	6,630,442	8,080,074	8,624,738	6.7
Members' Loans Outstanding	4,534,066	4,572,656	5,297,379	6,516,577	7,431,339	14.0
Loans Granted Each Year	3,010,243	2,530,524	2,950,279	3,886,801	4,231,557	8.9
Total Loans Granted ...	15,282,555	17,813,079	20,763,358	24,650,159	28,881,716	17.2
Members' Savings	4,423,167	4,733,724	6,050,614	7,378,559	7,752,587	5.1
Gross Income	570,511	665,549	819,854	1,084,422	1,229,526	13.4
Interest Paid to Members	363,166	449,336	582,112	695,743	728,575	4.7
Total Turnover	8,390,869	9,345,558	10,132,651	12,722,848	15,994,385	25.7
Number of Staff	5	5	5	5	6	
Member/Staff Ratio	875	848	862	914	785	

AUDITORS REPORT

for the Year Ended 30th June, 1985

We have examined the books of account and records of Main Roads Staff Credit Union Limited for the year ended 30th June, 1985, 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, 1985, 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

Sydney, 22nd August, 1985.

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee has continued the periodical examination of the books and records of the Main Roads Staff Credit Union Limited.

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.

R. BRADLEY

20th August, 1985.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting of the Main Roads Staff Credit Union Limited will be held in the second floor Conference Room, 309 Castlereagh Street, on Thursday, 26th September, 1985, commencing at 1.05 pm.

BUSINESS

- confirm the Minutes of the 20th Annual General Meeting held on Wednesday, 26th September, 1984.
- To receive the Chairman's Report, Auditor's Report, Supervisory Committee's Report, the Income and Expenditure Account and Balance Sheet for the year ended 30th June, 1985.
- To elect three Directors.
Messrs K. D. Hadley, C. N. Penney and A. J. Watson retire in accordance with the Rules. Mr Watson offers himself for re-election.
- To elect two members to the Supervisory Committee.
Mr R. Bradley retires in accordance with the Rules and offers himself for re-election.
- To appoint an Auditor and fix the 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, 1985, 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