

# RTA

## STAFF CREDIT UNION LIMITED

Incorporated in NSW  
ARBN 055 427 079

# 29th

## ANNUAL REPORT

### 1992/93



**R.T.A. STAFF CREDIT UNION LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1993**



## RTA STAFF CREDIT UNION LIMITED

### CHAIRMAN'S REPORT 1992/93

On behalf of the Board of Directors, I have much pleasure in submitting the 29th Annual Report and Financial Statement for the year ended 30 June 1993.

#### **YEAR IN REVIEW**

#### FACTS AND FIGURES

- \* **TOTAL ASSETS** increased by 10.5% to \$26.7M.
- \* **SURPLUS** of \$272,441 was 1.02% of assets.
- \* **RESERVES/CAPITAL** totalled \$2,148,273 (8.04% of assets or 13% on Risk Weighted Assets).
- \* **MEMBER DEPOSITS** exceeded \$24.1M up by 10.7%.
- \* **AVERAGE DEPOSIT** per member reached \$4,707 up by 15.0%.
- \* **INTEREST PAID** to members was 60% of income compared to industry average of 45%.

#### LOANS

- \* The Credit Union joined the highly competitive Home Loan market in November, 1992. Loans up to \$200,000 for the purchase or refinance of homes, land and rental properties were offered to members. As a mark of our competitiveness the Credit Union funded loans to the value of \$3M, including \$1M to refinance home loans of other institutions. As a result of the above move 40% of all loan balances are now secured by Mortgages over real estate.

#### MEMBERSHIP

- \* Membership continued to decline during the year with the introduction of 218 new members being offset by 418 resignations.

The RTA's continuing policy on downsizing, almost 1,400 employees separated during 1992/93, has had an effect on the Credit Union. In 1993/94 the Board will be looking at opportunities to further develop family membership, continuous membership and the extension of membership within our niche market. The introduction of a direct entry processing system between all financial institutions including Banks will go a long way in improving access to members accounts.

#### DEPOSITS

- \* Despite the reduced membership, members continued to make use of the Credit Union's savings and investment facilities, 119,126 transactions were processed during 1992/93 totalling \$81.8M. The use of members NO FEE cheque accounts doubled during the year with 12,266 transactions totalling \$5.2M.

## GENERAL

- \* Despite the reduced membership, the Credit Union has had a good year as the above facts and figures show. The introduction of Home Lending has opened up a number of opportunities for the Credit Union as will the extension of direct entry processing to include Banks and other financial institutions. The improved operating result, reserves and level of liquidity will give the Board further scope to widen the services available to members.

## LEGISLATION

1992/93 was a year of major legislative change with uniform Credit Union legislation introduced throughout Australia. The Australian Financial Institutions Commission (AFIC) now governs the affairs of non-bank financial institutions through State Supervisory Authorities (SSA). The prudential standards incorporated within the legislation can only enhance our already secure image. Your Credit Union has had no difficulty in complying with the required standards, having established reserves and provisions in excess of the statutory requirements (e.g. our risk weighted capital adequacy ratio is currently 13% compared with a minimum requirement of 8%).

At this year's Annual General Meeting, members will be asked to replace our current rules by adopting the standard form of rules now approved by AFIC, suitably amended to meet the particular requirements of your Credit Union.

## BOARD OF DIRECTORS

The Board has functioned in a most co-operative and effective manner over the past year and I am most appreciative of the individual and collective support provided to me as Chairman.

It is with some sadness, however, that I must record the departure from the Board during the year of two Directors who have given long, dedicated service to the interests of the Credit Union and its members. Rod Watson has been a Director for over twelve years, with the last five years as Deputy Chairman, whilst Rosemary Bell has served as Director for the past seven years.

In accordance with legislative requirements, an Audit Committee of the Board was formed during the year under the chairmanship of Director, Allan Cook.

## ACKNOWLEDGMENTS

The excellent results achieved in 1992/93 are, as in past years, due in no small way to the professionalism, dedication and commitment of our General Manager, Don Jones and each of our valued staff members.

The most essential factor for continuing success is, of course, member support for our services and it is again my pleasure to record the Board's appreciation of each supportive member's contribution to the achievement of the Credit Union's co-operative goals.



BOB McDOWELL  
CHAIRMAN

PROGRESS OVER 5 YEARS.

	1989	1990	1991	1992	1993	% INCREASE OF 1993 OVER 1992
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NUMBER OF MEMBERS	5,291	5,438	5,463	5,335	5,135	(3.7)
TOTAL ASSETS	\$ 15,508,397	\$ 18,398,530	\$ 20,380,645	\$ 24,165,889	\$ 26,703,862	10.5
TOTAL SHAREHOLDERS' FUNDS	1,398,002	1,545,894	1,732,569	1,929,182	2,199,623	14.0
MEMBERS' LOANS OUTSTANDING	12,810,186	16,430,999	18,003,047	16,587,787	16,831,586	1.5
LOANS GRANTED EACH YEAR	8,280,444	9,631,298	8,205,307	7,263,279	8,902,325	22.6
TOTAL LOANS GRANTED	55,588,986	65,220,284	73,425,591	80,688,870	89,591,195	11.0
MEMBERS' SAVINGS & INVESTMENTS	13,450,026	16,279,541	18,127,718	21,839,925	24,169,787	10.7
AVERAGE DEPOSIT PER MEMBER	2,542	2,993	3,318	4,093	4,707	15.0
INCOME	2,246,085	2,672,983	2,936,276	2,893,851	2,610,173	(9.8)
INTEREST PAID TO MEMBERS	1,469,330	2,011,224	2,100,836	1,985,585	1,575,776	(20.6)
TOTAL FUNDS TURNOVER	28,790,703	42,578,114	46,247,824	51,244,511	59,570,289	16.2

DECREASE ( )

HOW YOUR INCOME WAS USED.

INTEREST PAID TO MEMBERS	60%	PROPERTY PURCHASE & REFINANCE 35%
OFFICE ADMINISTRATION	14%	HOME IMPROVEMENTS 16%
STAFF COSTS	9%	MOTOR VEHICLES 18%
LOAN COSTS	7%	DEBT CONSOLIDATION 18%
SURPLUS	10%	HOUSEHOLD GOODS 5%
		HOLIDAYS 3%
		OTHER 5%



## **R.T.A. STAFF CREDIT UNION LIMITED**

### **DIRECTORS' REPORT**

In accordance with the requirements of the Financial Institutions Code the following information is provided to members:

#### **DIRECTORS**

The names of Directors holding office and their qualifications at the date of this report are:

R B McDowell	(Accountant)
R G Morgan	(Draftsman)
A D Cook	(Accountant)
R S Sinclair	(Works Controller)
W H Randell	(Photogrammetric Officer)
P J Gallagher	(Civil Engineer)
S M Sinclair	(Solicitor)

#### **Shares in the Society**

Each Director holds five ordinary shares in the Credit Union.

#### **Directors' Interests in Contracts**

No Director had an interest, or declared an interest in any contract or proposed contract with the Credit Union at the date of this report.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the Credit Union over the period was the provision of retail financial and associated services to Members. No significant change in the nature of these activities occurred during the year.

#### **OPERATING RESULT AND REVIEW OF OPERATIONS**

The net amount of the profit of the Credit Union for the financial year after provision for income tax was \$272,441. Further details regarding the results of the operations of the Credit Union are detailed in the Chairman's Report.

#### **CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Credit Union during the financial year.

#### **AFTER BALANCE DATE EVENTS**

Since the end of the financial year the Directors are not aware of any matter or circumstance that may significantly affect the operations of the Credit Union or the results of those operations, or the state of affairs of the Credit Union.

## LIKELY DEVELOPMENTS AND RESULTS

The Credit Union's objectives over the year will be to continue to improve services to members and achieve growth in all areas of the operation. In the opinion of the Directors, disclosure of any further information on likely developments in operations would be prejudicial to the interests of the Credit Union.

## DIRECTORS' BENEFITS

During the financial year ended 30 June 1993, no Director has received or has become entitled to receive a benefit (other than that disclosed in the Notes to the Accounts) by reason of a contract made by the Credit Union with a Director or with a firm of which a Director is a member.

## INCORPORATION OF ADDITIONAL MATERIAL

This Directors' report incorporates the Chairman's Report.

Dated at Sydney this 8th day of November 1993.

Signed in accordance with a resolution of the Directors:

\_\_\_\_\_)  
R G Morgan

: Directors

\_\_\_\_\_)  
A D Cook

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
R.T.A. STAFF CREDIT UNION LIMITED  
FOR THE YEAR ENDED 30 JUNE 1993**

**Scope**

We have audited the financial statements of R.T.A. Staff Credit Union Limited for the financial year ended 30 June 1993, consisting of the profit and loss account, balance sheet, statement of cash flows, accompanying notes, and the statement by directors set out on pages 4 to 17. The Credit Union's directors are responsible for the preparation and presentation of the financial statements and the information contained therein. We have conducted an independent audit of the financial statements in order to express an opinion on them to the members of the R.T.A. Staff Credit Union Limited.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian accounting standards and statutory requirements of the Financial Institutions legislation so as to present a view which is consistent with our understanding of the financial position of R.T.A. Staff Credit Union Limited and the results of its operations and its cash flows.

The audit opinion expressed in this statements has been formed on the above basis.

**Audit Opinion**

In our opinion, the financial statements of R.T.A. Staff Credit Union Limited is properly drawn up:

- (a) so as to give a true and fair view of the financial position of the R.T.A. Staff Credit Union Limited as at 30 June 1993 and the results of its operations and its cash flows for the year then ended;
- (b) in accordance with applicable Australian Accounting Standards; and
- (c) in accordance with the provisions of the Financial Institutions legislation.

**KPMG Peat Marwick  
Chartered Accountants**

Sydney  
8 November 1993

C J Gardoll  
Partner

## STATEMENT BY DIRECTORS

1. In the opinion of the Directors of R.T.A. Staff Credit Union Limited:
  - (a) the accompanying financial statements, as set out on pages 5 to 7, are drawn up so as to give a true and fair view of the results and cash flows of the Credit Union for the financial year ended 30 June 1993 and the state of affairs of the Credit Union at 30 June 1993;
  - (b) at the date of this statement, there are reasonable grounds to believe that the Credit Union will be able to pay its debts as and when they fall due.
2. The financial statements of the Credit Union have been made out in accordance with applicable Australian Accounting Standards.

Dated at Sydney this 8th day of November 1993.

Signed in accordance with a resolution of the Directors:

\_\_\_\_\_)  
R G Morgan

: Directors

\_\_\_\_\_)  
A D Cook

**R.T.A. STAFF CREDIT UNION LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 1993**

	Note	1993 \$	1992 \$
Operating profit before abnormal items and income tax	2	259,460	138,854
Abnormal items	3	<u>12,981</u>	<u>59,039</u>
Operating profit before income tax		272,441	197,893
Income tax attributable to operating profit	1(a)	<u>-</u>	<u>-</u>
Operating profit after income tax		272,441	197,893
Retained profits at the beginning of the financial year		<u>1,089,278</u>	<u>1,002,751</u>
Total available for appropriation		1,361,719	1,200,644
Transfer to statutory reserve	13	<u>-</u>	<u>111,366</u>
Retained profits at the end of the financial year		<u><u>1,361,719</u></u>	<u><u>1,089,278</u></u>

The profit and loss account is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 17.



**R.T.A. STAFF CREDIT UNION LIMITED**

**BALANCE SHEET AS AT 30 JUNE 1993**

	Note	1993 \$	1992 \$
<b>CURRENT ASSETS</b>			
Cash	4	167,412	156,494
Investments	5	8,000,000	6,700,000
Loans	6	486,910	-
Other	7	<u>163,796</u>	<u>122,446</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>8,818,118</b></u>	<u><b>6,978,940</b></u>
<b>NON-CURRENT ASSETS</b>			
Investments	5	1,892,177	918,184
Loans	6	15,974,676	16,237,787
Property, plant and equipment	8	<u>18,891</u>	<u>30,978</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>17,885,744</b></u>	<u><b>17,186,949</b></u>
<b>TOTAL ASSETS</b>		<u><b>26,703,862</b></u>	<u><b>24,165,889</b></u>
<b>CURRENT LIABILITIES</b>			
Deposits	9	24,111,474	21,893,275
Creditors and borrowings	10	7,037	7,847
Provisions	11	78,426	96,702
Other	12	<u>248,989</u>	<u>292,233</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>24,445,926</b></u>	<u><b>22,290,057</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Deposits	9	<u>109,663</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>109,663</b></u>	<u><b>-</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>24,555,589</b></u>	<u><b>22,290,057</b></u>
<b>NET ASSETS</b>		<u><b>2,148,273</b></u>	<u><b>1,875,832</b></u>
<b>SHAREHOLDERS' EQUITY</b>			
Reserves	13	786,554	786,554
Retained profits		<u>1,361,719</u>	<u>1,089,278</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u><b>2,148,273</b></u>	<u><b>1,875,832</b></u>

The Balance Sheet is to be read in conjunction with the notes to and forming part of the accounts set out on pages 8 to 17.

**R.T.A. STAFF CREDIT UNION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 1993**

	Note	1993 \$	1992 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Movement in loans to members comprising:			
Loans advanced plus interest		(17,747,088)	(9,790,021)
Loan repayments		<u>17,503,288</u>	<u>11,205,281</u>
		<u>(243,800)</u>	<u>1,415,260</u>
Other cash receipts in the course of operations		2,462,054	6,576,517
Other cash payments in the course of operations		(34,442)	(2,718,203)
Income taxes paid		<u>-</u>	<u>(12,122)</u>
Net cash provided by operating activities	20(ii)	<u>2,183,812</u>	<u>5,261,452</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(3,668)	(11,600)
Payments for investments		<u>(693,346)</u>	<u>(3,837,849)</u>
Net cash provided by investment activities		<u>(697,014)</u>	<u>(3,849,449)</u>
Net increase in cash held		1,486,798	1,412,003
Cash at the beginning of the financial year	20(i)	<u>2,795,614</u>	<u>1,383,611</u>
Cash at the end of the financial year	20(i)	<u>4,282,412</u>	<u>2,795,614</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the accounts set out on pages 8 to 17.

**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The accounts of the Credit Union have been prepared on the basis of historical costs and do not take into account changing money values nor, except where stated, current valuations of non-current assets. The accounts are prepared using the accruals basis of accounting except where otherwise stated.

Set out below is a summary of the significant accounting policies adopted by the Credit Union in the preparation of the accounts.

**(a) Income Tax**

The Credit Union is taxed as a non-profit company under the principle of mutuality, whereby income derived from member sources is tax exempt. Taxable income includes income derived from non-member sources after deducting a proportion of allowable expenditure incurred in deriving that income. No income tax is payable in respect of the current year as allowable deductions exceed assessable (non-member) income. An asset representing the future income tax benefit of income tax losses is not brought to account as these losses are generally not able to be utilised against assessable income in future years.

**(b) Property, Plant and Equipment**

Items of property, plant and equipment are capitalised at historical cost and depreciated over their estimated useful lives.

The straight line method of depreciation is used.

**(c) Provisions**

**Provision for Employee Leave Entitlements**

Leave entitlements accruing to employees are calculated using current salary rates. The policy for the calculation of leave liability for the year ended 30 June 1993, is as follows:

- (i) all annual leave entitlements, plus pro-rata annual leave to balance date;
- (ii) long service leave is provided for all employees who have completed five years of service with the Credit Union.

**Provision for Doubtful Debts**

A statutory provision is calculated in accordance with Section 271 of the Financial Institutions Code 1992 and Clause 4.3.2(a) of the AFIC Prudential Standards, based on the arrears of members loan repayments. In addition, any amounts considered doubtful by the Board of Directors are specifically provided for.

**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Non-Current Investments**

(i) NSW Financial Institutions Commission

Deposits are lodged with the NSW Financial Institutions Commission in accordance with statutory requirements. The amount of the deposit is calculated so that the deposit represents 0.48% of total assets of the Credit Union at 31 March 1993. Adjustments to the investment are made during the following year to restate the balance to satisfy the 0.48% requirement.

(ii) Primary Shares

These amounts represent part of the capital entitlement of the Credit Union to shares in Credit Union Services Corporation (Australia) Limited ("CUSCAL"), a national Credit Union services organisation.

(iii) Central Bank Shares

These amounts also represent part of the capital entitlement of the Credit Union to shares in CUSCAL.

**(d) Comparative Information**

Certain comparative information has not been provided as it cannot be given without unreasonable expense or delay.

	1993	1992
	\$	\$
<b>2. OPERATING PROFIT</b>		
Operating profit has been arrived at after including:		
<b>Operating Revenue</b>		
Interest on loans to members	1,976,952	2,355,857
Interest on investments	592,760	492,006
Entrance fees	2,799	175
Bad debts recovered	18,511	28,791
Commission	7,053	16,822
Other	<u>12,098</u>	<u>200</u>
	<u>2,610,173</u>	<u>2,893,851</u>

**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

	Note	1993 \$	1992 \$
<b>2. OPERATING PROFIT (Continued)</b>			
<b>Operating Expenses</b>			
Interest on members' deposits		1,575,776	1,985,585
Bad debts written off		153,813	137,249
Depreciation of property, plant and equipment		16,910	84,441
Provision for doubtful debts		20,000	28,800
Provision for employee leave entitlements		(5,295)	8,057
Auditors' remuneration		20,848	17,927
<b>3. ABNORMAL ITEMS</b>			
Provision for development of member services written back		<u>12,981</u>	<u>59,039</u>
<b>4. CASH</b>			
Cash at bank		70,200	50,200
Cash at bank - interest bearing		<u>97,212</u>	<u>106,294</u>
		<u>167,412</u>	<u>156,494</u>
<b>5. INVESTMENTS</b>			
<b>Current</b>			
Investments at face value:			
OLA fixed term deposit - CUFSAL		5,300,000	4,700,000
11am call account - CUFSAL		100,000	-
PLA 11am call account - CUFSAL		2,000,000	2,000,000
State Bank of NSW Bonds		100,000	
Deposits with:			
National Australia Bank		250,000	-
Primary Industry Bank of Australia		<u>250,000</u>	<u>-</u>
Total current investments	15	<u>8,000,000</u>	<u>6,700,000</u>



**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

	Note	1993 \$	1992 \$
<b>5. INVESTMENTS (Continued)</b>			
<b>Non-Current</b>			
Bonds and debentures at face value:			
Commonwealth Government Bonds		200,000	
State Bank of NSW Bonds		405,000	305,000
Commonwealth Pipeline Authority Bonds		110,000	110,000
NSW Treasury Corp Bonds		<u>500,000</u>	<u>-</u>
		1,215,000	415,000
Premium/(discount) on purchase		114,927	24,120
Add: Accumulated amortisation		<u>(8,160)</u>	<u>-</u>
Amortised book value		1,321,767	439,120
Deposits with:			
Primary Industry Bank of Australia		200,000	200,000
Subordinated deferred deposit - ANSWCU		-	140,388
Shares in ANSWCU (at cost)		-	11,700
Shares in AFCUL		-	1
Primary shares - CUSCAL	1(d)(ii)	13,525	-
Central Bank shares - CUSCAL	1(d)(iii)	81,145	-
Central Bank subordinated loan - CUSCAL		148,765	-
Contingency Fund		126,975	-
Savings Reserve Board Fund		<u>-</u>	<u>126,975</u>
Total non-current investments	15	<u>1,892,177</u>	<u>918,184</u>
<b>6. LOANS TO MEMBERS</b>			
<b>Current</b>			
Loans to members	14	599,512	-
Less: Provision for doubtful debts		<u>(112,602)</u>	<u>-</u>
		<u>486,910</u>	<u>-</u>

**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

	Note	1993 \$	1992 \$
<b>6. LOANS TO MEMBERS (Continued)</b>			
<b>Non-Current</b>			
Loans to members	14	16,232,074	16,587,787
Less: Provision for doubtful debts		<u>(257,398)</u>	<u>(350,000)</u>
		<u>15,974,676</u>	<u>16,237,787</u>
<p>Comparative information, details of security and ageing of loan provisions has not been provided in respect of loans in the first year of application of the AFIC Standards, as the Directors believe it to be impracticable from the information currently available.</p>			
		1993 \$	1992 \$
<b>7. OTHER ASSETS</b>			
<b>Current</b>			
Sundry debtors		57,463	34,180
Prepayments		7,887	6,260
Accrued interest on investments		<u>98,446</u>	<u>82,006</u>
		<u>163,796</u>	<u>122,446</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Office furniture, fittings and equipment - at cost		21,624	21,723
Less: Provision for depreciation		<u>(10,750)</u>	<u>(7,083)</u>
		<u>10,874</u>	<u>14,640</u>
Computer hardware/software - at cost		147,965	144,198
Less: Provision for depreciation		<u>(139,948)</u>	<u>(127,860)</u>
		<u>8,017</u>	<u>16,338</u>
Total property, plant and equipment - at net book value		<u>18,891</u>	<u>30,978</u>

**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

	Note	1993 \$	1992 \$
<b>9. MEMBERS' DEPOSITS</b>			
<b>Current</b>			
Savings accounts - at call *		7,537,077	6,597,969
Redifund - at call		1,572,198	1,664,167
Term deposit investments		<u>15,002,199</u>	<u>13,631,139</u>
	16	<u>24,111,474</u>	<u>21,893,275</u>
* Includes Issued and Paid-up Capital 25,675 (1992 - 26,675) shares of \$2 each, fully paid		<u>51,350</u>	<u>53,350</u>
<b>Non-Current</b>			
Term deposit investments	16	<u>109,663</u>	<u>-</u>
<b>10. CREDITORS AND BORROWINGS</b>			
<b>Current</b>			
Sundry creditors		<u>7,037</u>	<u>7,847</u>
<b>11. PROVISIONS</b>			
<b>Current</b>			
Employee leave entitlements		71,446	76,741
Provision for member services		<u>6,980</u>	<u>19,961</u>
		<u>78,426</u>	<u>96,702</u>
<b>12. OTHER LIABILITIES</b>			
<b>Current</b>			
Accrued charges		43,105	25,175
Accrued interest on member deposits		<u>205,884</u>	<u>267,058</u>
		<u>248,989</u>	<u>292,233</u>



**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

	1993 \$	1992 \$
<b>13. RESERVES</b>		
<b>Statutory</b>		
Balance 1 July 1992	786,554	675,188
Add: Transfer to reserve during year	-	111,366
Less: Transfer to general reserve	<u>786,554</u>	<u>-</u>
Balance 30 June 1993	<u>-</u>	<u>786,554</u>
<b>General</b>		
Balance 1 July 1992	-	-
Add: Transfer from statutory reserve	<u>786,554</u>	<u>-</u>
Balance 30 June 1993	<u>786,554</u>	<u>-</u>
 <b>14. LOANS TO MEMBERS</b>		
Loans to members outstanding at 30 June 1993 are receivable as follows:		
Up to three months	48,160	*
From three to twelve months	551,352	*
Later than one year but not later than five years	8,987,768	*
Later than five years	<u>7,244,306</u>	<u>*</u>
	<u>16,831,586</u>	<u>16,587,787</u>
 <b>15. INVESTMENTS</b>		
Investments in place at 30 June 1993 are receivable as follows:		
Up to three months	4,750,000	*
From three to twelve months	3,250,000	*
Later than one year but not later than five years	<u>1,892,177</u>	<u>*</u>
	<u>9,892,177</u>	<u>7,618,184</u>

\* In accordance with Practice Note 12/93 issued by the Australian Financial Institutions Commission, the requirement to provide details of those loans to members and investments maturing between three and twelve months, has been waived where software currently being utilised is unable to provide such information.

**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

	1993 \$	1992 \$
<b>16. MEMBERS' DEPOSITS</b>		
Members' deposits payable at 30 June 1993 comprise:		
On call	9,109,275	*
Up to three months, but not including those on call	4,213,218	*
From three to twelve months	10,788,981	*
Greater than twelve months	<u>109,663</u>	<u>*</u>
	<u>24,221,137</u>	<u>21,893,275</u>

\* In accordance with Practice Note 12/93 issued by the Australian Financial Institutions Commission, the requirement to provide details of those loans to members and investments maturing between three and twelve months, has been waived where software currently being utilised is unable to provide such information.

**17. EMERGENCY LIQUIDITY FACILITY DEED**

A deed is in place between R.T.A. Staff Credit Union Limited and Credit Union Financial Services (Australia) Limited ("CUFSAL") whereby CUFSAL has access up to 10% of R.T.A. Staff Credit Union Limited's total assets in accordance with the Financial Institutions Code 1992.

**18. SEGMENT REPORTING AND CONCENTRATION OF RISK**

The entity operates as a Credit Union in Australia.

There are no loans or deposits which represent 10% or more of the shareholders' equity of the Credit Union.

All deposits and loans of the Credit Union are with employees and former employees of the New South Wales Roads and Traffic Authority and their families in accordance with the Rules of the Credit Union.

The majority of members are residents of New South Wales.

**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

**19. RELATED PARTY TRANSACTIONS**

**Directors**

The names of each person who held the position of Director of the Credit Union during the financial year are Messrs A J Watson, R S Sinclair, R B McDowell, D J Black, R G Morgan, A S Tobin, W H Randell, A D Cook and Ms R C Bell. Messrs A J Watson, A S Tobin and Ms R C Bell retired as Directors of the Credit Union during the year.

**Loans to Directors**

Loan to directors as at 30 June 1993 totalled \$149,642 (1992 - \$35,333). The recipients of these loans were Messrs R McDowell, W Randell and A Cook.

During the year repayments of \$16,741 were received in relation to the above loans.

Transactions with directors are made on the same terms and conditions as other members of the Credit Union. These terms and conditions have not been breached.

	1993	1992
	\$	\$
<b>Directors' Remuneration</b>		
Aggregate remuneration of directors	<u>-</u>	<u>-</u>
The number of directors who received remuneration within the following bands were:		
\$Nil - \$10,000	9	7

**R.T.A. STAFF CREDIT UNION LIMITED**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

**20. NOTES TO THE STATEMENT OF CASH FLOWS**

**(i) Reconciliation of Cash**

For the purposes of the Statements of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheets as follows:

	Note	1993 \$	1992 \$
Liquid assets - at call		4,115,000	2,639,120
Cash on hand	4	70,200	50,200
Cash at bank	4	<u>97,212</u>	<u>106,294</u>
		<u>4,282,412</u>	<u>2,795,614</u>

**(ii) Reconciliation of Operating Profit After Tax to Net Cash Provided by Operating Activities**

	Note	1993 \$	1992 \$
Operating profit after income tax		272,441	197,893
Add/(less) non-cash items:			
Amounts set aside to provisions		14,705	24,735
Depreciation		15,755	60,409
Write back of provision for member services		(12,981)	(59,039)
Net cash provided by operating activities before change in assets and liabilities		<u>289,920</u>	<u>223,998</u>
Change in assets and liabilities during the financial year:			
(Increase)/decrease in loan balance		(243,799)	1,415,260
(Increase)/decrease in prepayments		(1,627)	(376)
(Increase)/decrease in sundry debtors		(23,283)	(14,777)
(Increase)/decrease in accrued interest		(16,440)	(14,388)
(Increase)/decrease in deferred interest		(106,767)	-
(Decrease)/increase in members' deposits		2,329,862	3,712,207
(Decrease)/increase in accrued charges		17,930	2,347
(Decrease)/increase in accrued interest		(61,174)	(68,147)
(Decrease)/increase in sundry creditors		<u>(810)</u>	<u>5,328</u>
Net cash provided by operating activities		<u>2,183,812</u>	<u>5,261,452</u>

**R.T.A. STAFF CREDIT UNION LIMITED**

**DISCLAIMER**

The additional financial information presented on pages 19 and 20 is in accordance with the books and records of R.T.A. Staff Credit Union Limited which have been subjected to the auditing procedures applied in our statutory audit of the Credit Union for the year ended 30 June 1993. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our Firm policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the Credit Union) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

KPMG Peat Marwick  
Chartered Accountants

Sydney

1993

**R.T.A. STAFF CREDIT UNION LIMITED**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED 30 JUNE 1993**

	1993 \$	1992 \$
<b>INCOME</b>		
Interest on Loans to Members	1,976,952	2,355,857
Interest on Investments	592,760	492,006
Entrance Fees	2,799	175
Bad Debts Recovered	18,511	28,791
Commission	7,053	16,822
Other	<u>12,098</u>	<u>200</u>
	<u>2,610,173</u>	<u>2,893,851</u>
<b>EXPENDITURE</b>		
Interest paid		
Members' Savings - at Call	340,521	442,756
- Term Savings	1,127,304	1,400,159
- Redifund	<u>107,951</u>	<u>142,670</u>
	<u>1,575,776</u>	<u>1,985,585</u>
<b>Operating Costs</b>		
Loan Administration and Collection		
Bad Debts written off	153,813	137,249
Provision for Doubtful Debts	20,000	28,800
Other	<u>6,160</u>	<u>12,285</u>
	<u>179,973</u>	<u>178,334</u>
Salaries and Associated Costs		
Salaries and other staff expenses	221,600	219,940
Provision for Annual Leave	(6,893)	1,756
Provision for Long Service Leave	1,598	6,301
Superannuation	15,106	10,052
Training levy shortfall - 1991	<u>-</u>	<u>3,443</u>
	<u>231,411</u>	<u>241,492</u>
Member Protection Benefits		
Affiliation Fees	17,928	15,145
Audit Fees	20,848	17,927
Fidelity Insurance	11,205	10,062
Loan Protection Insurance	<u>49,602</u>	<u>56,752</u>
	<u>99,583</u>	<u>99,886</u>
Marketing and Promotion	<u>24,179</u>	<u>19,248</u>

The Statement of Operations is to be read in conjunction with  
the disclaimer set out on page 18.



**R.T.A. STAFF CREDIT UNION LIMITED**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 1993 (Continued)**

	1993	1992
	\$	\$
<b>EXPENDITURE (Continued)</b>		
Member Services		
Member Chequing	16,027	7,674
Edvest	<u>3,611</u>	<u>3,126</u>
	<u>19,638</u>	<u>10,800</u>
Data Processing		
Depreciation of Computer Hardware	4,488	59,039
Depreciation of Software	8,493	24,032
Other	<u>29,507</u>	<u>4,703</u>
	<u>42,488</u>	<u>87,774</u>
Accommodation		
Rent	<u>32,324</u>	<u>31,612</u>
Administration		
Bank and Cash Delivery Charges	28,216	26,333
Depreciation of Office Furniture	3,929	1,370
Federal and State Government Taxes	54,643	42,222
Printing and Stationery	11,349	9,349
Postage	15,745	9,725
Other	<u>31,459</u>	<u>11,267</u>
	<u>145,341</u>	<u>100,266</u>
Total Operating Costs	774,937	769,412
Operating Profit Before Abnormal Items and Transfer to Statutory Reserve	<u>259,460</u>	<u>138,854</u>
Abnormal Items		
Provision for Development of Member Services written back	<u>12,981</u>	<u>59,039</u>
Operating Profit	<u><u>272,441</u></u>	<u><u>197,893</u></u>

The Statement of Operations is to be read in conjunction with  
the disclaimer set out on page 18.