



GOLDFIELDS CREDIT UNION

ANNUAL REPORT

Summary

2002

CHAIRMAN'S REPORT

It gives me great pleasure to present this Chairman's Report as part of the Annual Report to GCU Members for the 20th year of successful operation of this Credit Union.

The past year has been one of enormous challenge and great change within Goldfields Credit Union.

Some of the challenges we face are constant; such as, competition from the banks and further competition from newcomers such as mortgage originators into the market place

Other challenges we faced throughout the year have arisen due to the regulatory requirements imposed by Government; such as, maintaining sound capital adequacy levels.

In light of the major corporate collapses during the past year, we must expect that the regulatory regime under which we operate will become tougher and more stringent in the coming years.

This Credit Union will not shy away from its responsibilities to comply with requirements of the regulators and will strive to continue to provide all the products that our competitors offer with a lot more personal service than they offer.

The reason this Credit Union, and other credit unions, exist is to provide products and services to members at competitive prices but with any profit that is made to be churned back into the organisation to provide better services and products in the years to come.

The Board of Directors throughout our 20 year history has always kept this in mind and will continue to have it at the forefront in any decisions it makes in the years to come.

Performance

For the financial year ended 30th June 2002, GCU achieved a record overall profit after tax of \$306,770. This is an increase from \$108,313 last financial year.

Our total assets stand at \$29,547,812 which compares favourably with the \$27,919,823 that was reported at the end of last year.

It is only by returning a profit at the end of each financial year that the Credit Union is able to continue to grow in the number of products and services it offers to its members in the following years.

If our Credit Union is not able to return a good profit each year, then we would have to drastically reduce the amount of borrowings we could do in the following year.

This is a direct result of the current prudential standards regulations.

Compliance

The Credit Union reported to it's regulator, APRA that we have complied with all regulatory and legal requirements.

The staff has already commenced training to comply with the financial services re-format requirements which will be imposed on us from March 2004.

Our Role In the Community

GCU has continued it's long tradition of supporting sporting, cultural and community groups in our region.

GCU is particularly proud of it's support for events involving the children of this community.

Our People

There has been tremendous change in the management hierarchy at the Credit Union this year.

After 14 years of loyal and dedicated service to the Credit Union, our previous General Manager, Mr Allan Howe tendered his resignation to move to a new corporate position and fresh lifestyle in the eastern states.

I would like to thank Mr Howe for taking the Credit Union from a very small organisation to the one it is today.

Additionally, I would like to welcome Mr John Karasinski who is the new General Manager to the position and wish him well in his new role knowing that he has the academic credentials and life experience to lead the Credit Union to great things throughout this decade.

I would also like to thank our Assistant Manager, Brigitte Flight who acted as General Manager in the interim period before Mr Karasinski was appointed.

All our staff are dedicated, enthusiastic and friendly people who see every day as an opportunity to provide the best possible service to you, our members.

The Board of Directors

There was also considerable change in the composition of the Board of Directors during this year. Our Chairman of many years, Mr Jeffrey Murphy resigned in April having achieved all that he could in his role as Chairman and Board Member.

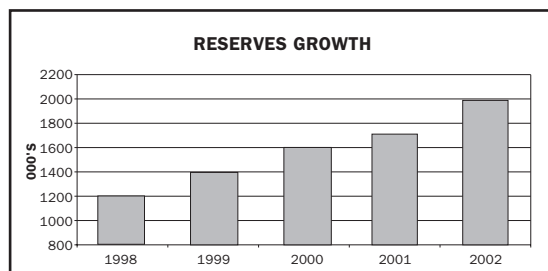
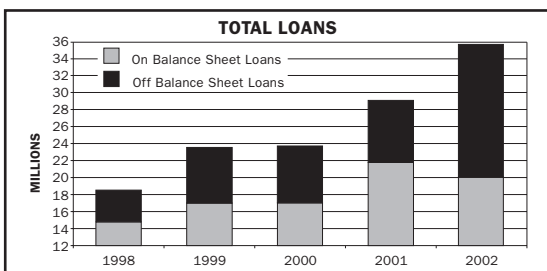
On behalf of the Board, I extend a vote of thanks to Mr Murphy for his untiring efforts throughout his many years of service.

Mr Lloyd Jones joined the Board last year and has quickly grasped the complexities of the job of a Credit Union Director and is making a very worthwhile contribution to the deliberations and discussions at Board level.

The corporate and legal responsibilities of Directors has grown considerably over the recent years and the Board plays a much more visible and complex role than it did some years ago. On behalf of you, the members, I extend my congratulations to the Board for so successfully steering the Credit Union through the maze of legal, regulatory and competitive demands during the last year.

Personally I extend my heartfelt thanks to each individual Board member for their support both to me and their fellow Directors during the year.

Bill McKenzie
Chairman



STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2002

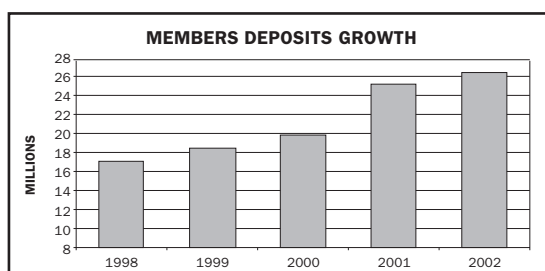
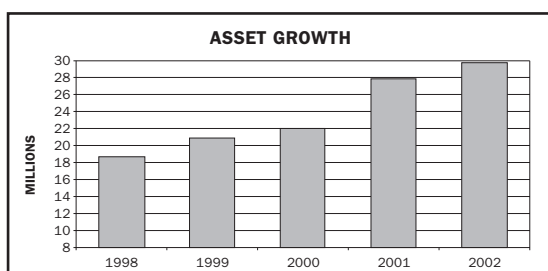
	2002	2001
	\$	\$
Interest revenue	2,295,002	1,976,874
Interest expense	<u>(1,026,579)</u>	<u>(1,050,101)</u>
Net interest revenue	1,268,423	926,773
Non-interest revenues	1,176,621	938,517
Bad and doubtful debts expense	(120,000)	(70,367)
Other expenses	<u>(1,881,435)</u>	<u>(1,624,518)</u>
OPERATING PROFIT BEFORE INCOME TAX	443,609	170,405
Income tax expense	<u>(136,839)</u>	<u>(62,092)</u>
OPERATING PROFIT AFTER INCOME TAX	306,770	108,313
Retained profits at the beginning of the year	-	-
Total available for appropriation	306,770	108,313
Aggregate of amounts transferred to reserves	<u>(306,770)</u>	<u>(108,313)</u>
RETAINED PROFITS AT THE END OF THE YEAR	-	-

STATEMENT OF FINANCIAL POSITION

As at 30 June 2002

	2002	2001
	\$	\$
ASSETS		
Cash and liquid assets	5,373,881	980,613
Due from other financial institutions	2,250,000	3,600,000
Accrued receivable	31,839	17,009
Loans and advances	20,607,941	21,820,131
Other investments	181,443	246,079
Property, plant and equipment	862,618	956,722
Other assets	<u>240,090</u>	<u>299,269</u>
TOTAL ASSETS	<u>29,547,812</u>	<u>27,919,823</u>
LIABILITIES		
Deposits	26,604,330	25,356,211
Accounts payable and other liabilities	288,075	318,044
Borrowings	500,000	500,000
Provisions	171,840	66,303
Tax liability	-	2,469
TOTAL LIABILITIES	<u>27,564,245</u>	<u>26,243,027</u>
NET ASSETS	<u>1,983,567</u>	<u>1,676,796</u>
MEMBERS' FUNDS		
Reserves	<u>1,983,566</u>	<u>1,676,796</u>
TOTAL MEMBERS' FUNDS	<u>1,983,566</u>	<u>1,676,796</u>

Copies of the Financial Statements for the year ended 30 June 2002 are available from Goldfields Credit Union upon request or by phoning 9021 6444.





GOLDFIELDS CREDIT UNION

Your local Banking Choice!

- Cash Management Accounts
- Cheque Accounts • Children's Accounts
 - Christmas Club Accounts
 - Community Club Accounts
- Credit Card - MyCard Mastercard
 - Fixed Term Deposits
- Internet Banking • Redipos • Redicard
 - Pensioner Deeming Accounts
 - Mortgage Saver Accounts
- Insurance - Home/Car/Caravan
- Personal Income Protection
- Loans - Personal/Housing & Investment
- Business Accounts • Telephone Banking

CORPORATE DIRECTORY

BOARD OF DIRECTORS

W. T. McKenzie (Chairman)

L. Strachan (Deputy Chairman)

A. L. George

J. M. MacDonald

D. R. Willis

L. F. Jones

CHIEF EXECUTIVE: J. Karasinski

AFFILIATION

Credit Union Services Corporation (Australia) Ltd.

AUDITORS: RSM Bird Cameron Partners

REGISTERED OFFICE

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ESPERANCE

Dempster Street,
Esperance W.A. 6450
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BOULDER

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Website: www.gcu.com.au • Email: enquiries@gcu.com.au