



# **GOLDFIELDS CREDIT UNION**

ABN 63 087 651 849, AFS License 246884  
BSB 806-043

## **ANNUAL FINANCIAL REPORT**

### **SUMMARY**

**2009**

## CHAIRMAN'S REPORT 2008-2009

It is once again my pleasure to present the Chairman's Report to members of Goldfields Credit Union (GCU) for 2008-2009.

GCU has not been immune to the effects of the global financial crisis over this last reporting period, but still continues to provide the Goldfields community with a strong financial services alternative in the local market place.

### 2008-2009 Financial Performance

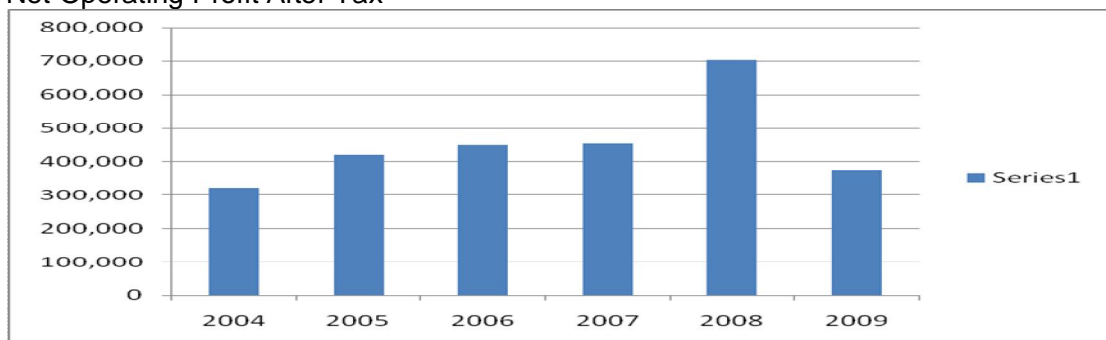
GCU has reported an after tax profit of \$373,098 for the 2008-2009 reporting period, down from \$702,914 the previous year.

Net interest margins contracted during the year and together with reduced non- interest revenue levels, contributed to the reduced result.

However, GCU's capital adequacy ratio as 30 June 2009 increased to 25.5% from 20.1% the previous year.

GCU experienced growth in its loans portfolio of 11% to \$34.8 million and this was mostly funded from liquidity reserves and continuing strong deposit support from the Goldfields and Esperance communities.

### Net Operating Profit After Tax



### Compliance & Risk Management

GCU continues to monitor and improve on its risk management framework to comply with regulatory standards by regular review of its policies and procedures overseen by the Board with the support of its Audit and Risk Management and Credit Committees.

### Board

Lisa Ellery was elected to the Board at the Annual General meeting in October 2008.

The Credit Committee comprised of Bill McKenzie (Chair), Allan Pandal and Leigh Junk. The Audit and Risk Management Committee was chaired by Ashton George and supported by Greg Coyle and Lisa Ellery.

The Board remains proud of its diversity in terms of what skills and experience each Director brings to overseeing the operations of GCU.

## Staff

Our staff has once again led from the front and have handled a fairly hectic and demanding year with the professionalism and high customer service standard that has become a trademark of GCU. The Board acknowledges the commitment of GCU's staff, led by General Manager, Farley Fewkes.

The major project of converting GCU's banking platform to keep up with technology and efficiency in providing our banking services to members was performed seamlessly and our staff have coped well with these changes in that members have been unaffected by the upgrade. Assistant General Manager, Glenn Holdaway is to be highly commended on the successful management of this single most important project since GCU was established in 1982.

## Community Involvement

GCU continues to attract and provide banking services to the majority of community groups such as sporting associations, arts clubs, parents and citizens' associations and other not for profit groups and shows its support by providing sponsorship and donations to benefit the Goldfields community.

## The Future

The ongoing global financial turmoil will continue to impact the Australian banking system in the short term. However, this in itself will provide opportunities to GCU. The Board is committed to ensuring GCU remains strong in terms of capital and profitability by monitoring quality of business and its' prudential compliance requirements. This will enable GCU to continue performing strongly as financial conditions improve over time.

Finally, I would like to acknowledge the efforts of my fellow Directors in Ashton George, Bill McKenzie, Leigh Junk, Greg Coyle and Lisa Ellery together with our General Manager, Farley Fewkes, for dedicating their time and experience for the benefit of GCU during 2008/09.

**Allan Pental**  
**Chairman**

## INCOME STATEMENT

For the year ended 30 June 2009

	2009	2008
Interest revenue	2,908,985	3,157,093
Interest expense	-1,354,584	-1,399,515
Net Interest Revenue	1,554,401	1,757,578
Non-interest revenue	621,052	1,070,659
Impairment Losses on loans and advances	2,545	64,921
Other expenses	-1,653,720	-1,894,773
<b>NET PROFIT BEFORE INCOME TAX</b>	<b>524,278</b>	<b>998,385</b>
Income tax expense	-151,180	-295,471
<b>NET PROFIT AFTER INCOME TAX</b>	<b>373,098</b>	<b>702,914</b>
Retained Profits at the beginning of the year	0	0
Total available for appropriation	373,098	702,914
Aggregate of amounts transferred to reserves	-373,098	-702,914
<b>RETAINED PROFITS AT THE END OF THE YEAR</b>	<b>0</b>	<b>0</b>

## BALANCE SHEET

For the year ended 30 June 2006

	2009	2008
<b>Assets</b>		
Cash and cash equivalents	1,224,594	2,716,810
Due from other financial institutions	4,738,628	7,459,060
Loan and advances to members	34,821,462	31,381,735
Other financial assets	141,969	141,969
Property, plant & equipment	667,224	719,022
Intangible assets	179,919	0
Deferred tax assets	56,644	52,131
Other assets	70,593	94,749
<b>TOTAL ASSETS</b>	<b>41,901,033</b>	<b>42,565,476</b>
<b>Liabilities</b>		
Deposits from members	35,530,591	36,408,369
Payables	447,073	531,560
Other borrowed funds	400,000	400,000
Current tax liability	8,640	102,870
Deferred tax liability	67,592	65,462
Provisions	142,369	126,187
<b>TOTAL LIABILITIES</b>	<b>36,596,265</b>	<b>37,634,448</b>
<b>NET ASSETS</b>	<b>5,304,768</b>	<b>4,931,028</b>
<b>Members' Funds</b>		
Members' shares	9,640	9,932
Property, plant and equipment revaluation reserve	150,715	149,781
General reserve for credit losses	84,110	85,610
General reserves	5,060,303	4,685,705
<b>TOTAL MEMBERS' FUNDS</b>	<b>5,304,768</b>	<b>4,931,028</b>