



GOLDFIELDS CREDIT UNION

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

ANNUAL FINANCIAL REPORT

SUMMARY

2006

CHAIRMAN'S REPORT 2005-2006

It is with pleasure that I present my first Chairman's Report to members of Goldfields Credit Union (GCU).

GCU has been operating now for 24 years and continues to offer a local banking choice with all decisions being made locally.

Financial Performance

The Board is pleased to announce an after tax profit of \$450,684 for 2005/06, up from \$343,536 the previous year.

While GCU's total assets have grown to \$37.5 m, predominately due to loan book growth, the current extremely competitive banking environment will continue to put pressure on this growth rate.

A most pleasing aspect in our Balance Sheet is the improved quality of GCU's loan book where bad and doubtful debts have been tightly managed.

GCU's capital adequacy continues to remain strong allowing for further lending growth.

Compliance & Risk Management

Compliance is a key element in managing risk.

GCU continues to place emphasis on compliance ensuring adherence to the various laws and regulations under which we operate. The focus is commitment to protect member's funds and the ongoing ability for GCU to meet its corporate governance objectives.

GCU has two risk management committees in an Audit Committee and a Credit Committee, each comprising three members. Both meet regularly under control of the Board.

Staff

On behalf of the Board, I would like to recognize the efforts and commitment of GCU's staff over 2005/06. Led by our General Manager, Farley Fewkes, our staff continue to strive for excellence in providing members with a high level of efficient and timely service.

Community Involvement

GCU has maintained its' strong community focus for many years now and the current Board has indicated "its" willingness to continue to support the local community within the prudent budget levels.

Finally, I would like to acknowledge the efforts of my fellow Directors in Ashton George, Bill McKenzie, Dean Willis, Leigh Junk and Coralie Hurley who have dedicated their time and experience for the benefit of GCU. I sincerely thank Bill McKenzie for his strong professional leadership as Chairman prior to my election and to Laura Strachan, who retired during the year after 11 years of passionate service to GCU.

Allan Pental
Chairman

INCOME STATEMENT

For the year ended 30 June 2006

	2006	2005
Interest revenue	2,560,077	2,380,101
Interest expense	-1,165,163	-1,038,883
Net Interest Revenue	1,394,914	1,341,218
Non-interest revenue	1,218,535	1,222,039
Bad & doubtful debts expense	1,375	-55,889
Other expenses	-1,966,284	-1,974,958
NET PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	648,540	532,410
Income tax expense	-197,856	-188,874
NET PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX	450,684	343,536
Retained Profits at the beginning of the year	0	0
Total available for appropriation	450,684	343,536
Aggregate of amounts transferred to reserves	-450,684	-343,536
RETAINED PROFITS AT THE END OF THE YEAR	0	0

BALANCE SHEET

For the year ended 30 June 2006

	2006	2005
Assets		
Cash and cash equivalents	1,831,096	1,817,668
Due from other financial institutions	9,000,000	9,250,000
Loan and advances to customers	25,875,367	22,433,831
Investment securities	165,986	200,129
Property, plant & equipment	516,171	545,401
Deferred Tax Asset	54,968	38,402
Other Assets	53,068	57,964
TOTAL ASSETS	37,496,656	34,343,395
Liabilities		
Deposits	32,805,019	30,218,379
Payables	441,685	402,907
Other borrowed funds	400,000	400,000
Current tax liabilities	91,031	53,723
Current tax liabilities	7,205	3,188
Provisions	110,791	75,712
TOTAL LIABILITIES	33,855,731	31,153,909
NET ASSETS	3,640,925	3,189,486
Members Funds	10,796	10,984
Reserves	3,630,129	3,178,502
TOTAL MEMBERS' FUNDS	3,640,925	3,189,486