2019

48th ANNUAL REPORT

wecu

Woolworths Employees' Credit Union

good value, good sense banking

LIST OF OUR PRODUCTS AND SERVICES

Membership
Exclusively for employees of the Woolworths group and their families - once a member always a member

Loans
Personal, Car and Home

VISA Credit Card
Uncomplicated - low interest rate and up to 55 days interest free

Term Deposit Accounts
From 3 months to 2 years

Specific Savings Accounts
Goal account, Christmas Club account, Youth and Retirement accounts, Mortgage Offset accounts and Cash Management account

Easy Access to Savings
Visa Debit Card, rediCard, Cheque book, Internet Banking and ATM's

Electronic Banking
BPAY, Telephone, Internet, Bank@Post, Electronic Statements and Mobile Phone Banking (including the WECU app, Apple Pay, Android Pay and Samsung Pay)

NetPlus Account
Convenient at-call access to your savings through Internet Banking and ATMs

Payroll Deposit Service
Have your pay, or part of your pay, deposited directly into your account to make paying bills easier through our direct debit system and let WECU handle your Payroll breakup for you.

Insurance
Health, Car, Home and Contents, Boat, Caravan, Travel, Landlords and Loan Repayment

Financial Planning
High quality, personalised financial advisory service - first interview free

Travel
Loans, Foreign Currency, VISA Credit Card, VISA Debit Card, Insurance, Traveler's Cheques and Access Prepaid Mastercard

Sureplan
Pre-paid Funeral Service

Car Search
Free car buying service

CONTENTS

VISION AND MISSION

VISION STATEMENT

To provide the most suitable Financial Services for the Team Members of the Woolworths Group and their immediate families.

MISSION STATEMENT

Supporting the Woolworths community with a comprehensive everyday banking offering and a seamless secured and flexible experience.

ORGANISATIONAL VALUES

- Trust
- Moral Integrity
- Excellent Service
- Consistent, accurate and responsive
- Ethical, friendly and considerate
- Financially strong, safe and secure
- Sound Management
- Competent leadership and governance

CUSTOMER VALUE PROPOSITION

- We will educate our customers to better understand the products and services that are available to them.
- Banking in the workplace as part of the group has many inside advantages for the customers.
- As a mutual our customers are also our owners and have one equal share each and one equal vote.
- A strong relationship with the Woolworths Group improves the levels of service and communication for our customers.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 48th Annual General Meeting of Woolworths Employees' Credit Union Limited (ABN : 67 087 651 803, AFSL & Australian Credit Licence No.240720) will be held at 5.00 pm AEDT on Wednesday 6 November 2019 in the Woolworths State Office, 522-550 Wellington Road, Mulgrave, Victoria with links to Norwest NSW and other locations.

AGENDA

1. Welcome and opening by the Chair of the Board.
2. Apologies.
3. Table the Minutes of the 48th Annual General Meeting held on 31 October 2018.
4. Receive the Credit Union's Annual Report containing the Chairman's Report, Directors' Report, Directors' Declaration, Auditor's Independence Declaration, Independent Auditor's Report and Financial Statements for the financial year ended 30 June 2019.
5. Appointment of Directors.
6. To consider other business items.
7. To close the meeting.

By order of the Board

Steve Sampson
Company Secretary

25th September 2019

Woolworths Employees' Credit Union

Chairman	A.E. Parle
Deputy Chairman	A.M. Wilson
Directors	C.M. Elliott, P.D. Ryan, B. Ashley, D.J. Rowan.

Management and Administration

Steve Sampson
General Manager

Bill McLardie
Deputy General Manager

Savinda Pathirana
Finance Manager

Josephine McCabe
Administration Manager

Stephen Cook
Business Development Manager

Klaus Dithmer
Compliance Officer and Chief Risk Officer

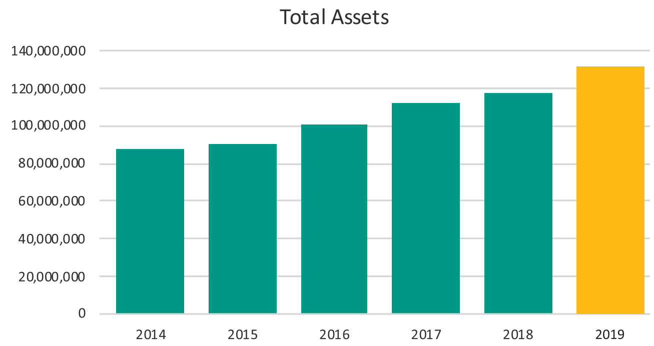
Branch Staff

VICTORIA	Bruce Bello, Tracey Cherubin, Geoff Duncan, Despina Ioannidis, Cynthia Crand, Wendy Huang, Kerryn Keating, Vicki Tellatin, Debra Yallop
NEW SOUTH WALES	Rosalind Carr, Brendan Flynn, Allison Micallef, Diane Micallef, Donna Myers
QUEENSLAND	Sue McIntyre,
SOUTH AUSTRALIA	Victoria, Neville

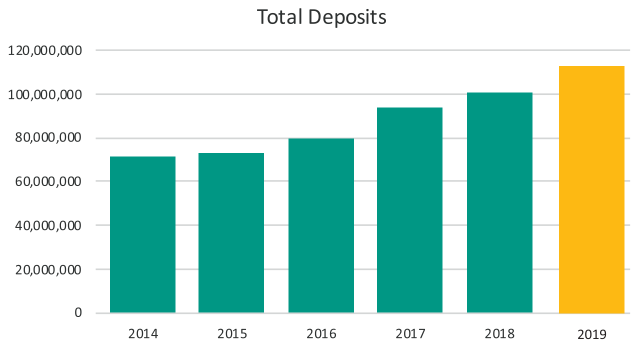
Auditors	Grant Thornton Audit Pty Ltd (External)
	Aspire Accounting Holdings Pty Ltd (Internal)
Solicitors	Daniels Bengtsson Pty Ltd
Banker	CUSCAL
	National Australia Bank
Affiliation	CUSCAL
Registered Office	522-550 Wellington Road, Mulgrave, Victoria 3170
Postal Address	Private Bag 10, Mulgrave North, Victoria 3170
Office Hours	Monday to Friday 8.30 am - 4.30 pm
Member Insurance	QB Elders Bond & Package Insurance
	QBE Insurance (Australia) Limited
	NIB Travel Insurance (Australia) Limited
	NIB Private Health Insurance
	QBE Mortgage Guarantee Insurance
	Genworth Mortgage Guarantee Insurance
Financial Planning	Bridges Financial Services Pty Ltd
Industry Association	Customer Owned Banking Association (COBA)

KEY STATISTICS
TO 30 JUNE 2019

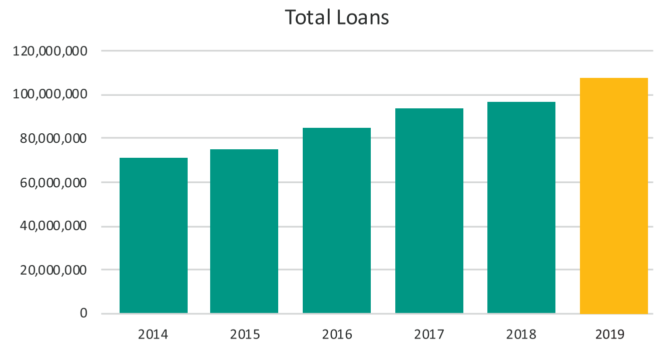
$127.2m
Total Assets



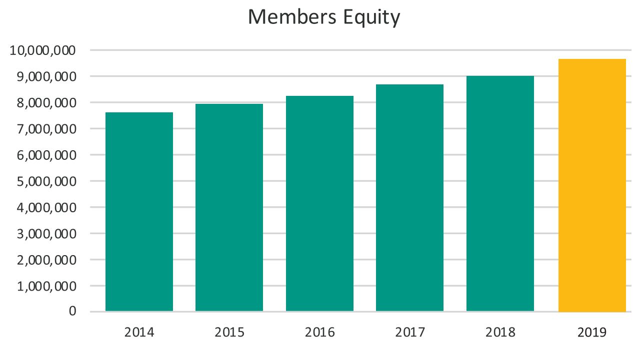
$105.9m
Total Deposits



$107.5m
Total Loans



$9.2m
Members Equity



CHAIRMAN'S REPORT

HELLO MEMBERS

The Board of Directors are pleased to present this year's Financial Statements to the Members, our 48th Year of operating and servicing the Team Members of the Woolworths Group and their families.

FINANCIAL OVERVIEW

For the year ended 30 June 2019 our Total Assets position grew by 8.41% to $127.2 Million with a Net Profit result, after tax, of $255,877. Capital and Liquidity levels remained stable and well in excess of regulatory benchmarks.

A full financial report is covered in greater detail in the Director's Report and Financial Statements in the following pages.

OUR PEOPLE AND CULTURE

Our Member Value Proposition is aimed at educating Members to better understand our products and services, to create a banking in the workplace platform, with Members as equal owners of the Credit Union, so as to link and continue to develop a strong relationship with the Woolworths Group.

DURING THE YEAR WECU

- The Banking system underwent a significant upgrade to a more efficient level and finalization of this project is now nearing completion.
- A great deal of work has also been placed into updating our Website which was launched in October this year.
- We moved our Private Health Insurance product to nib to improve the quality and service of this benefit for all Members.
- The Mobile Phone App was upgraded to a new more responsive platform during the year.
- We continued our Corporate Social Responsibility process with the 8th year of the $5,000 Student Scholarship Award along with many other charities that the Woolworths Group support.

PLANNING FOR THE FUTURE

During the year the Hayne Royal Commission into the Financial Services Industry was completed and some significant additional compliance and regulatory requirements have flowed to the mutual sector as a consequence of the issues identified related to the major banks.

As we move towards the end of the current year we are finalizing the detail of our major strategic initiative of - the name Change to "Woolworths Team Bank "(WTB)

This change presents us with a great opportunity for our organization to embrace the benefits associated with the move to a " Bank " , while still maintaining the overall focus on the essence of what a " Mutual " is all about – viewing everything we do through the lens of what is the best thing for our members .

OUR TEAM

Our people are a critically important element of our success.

During the year Vicki Tellatin celebrated 15 years with WECU, Steve Sampson 10 years and Geoff Duncan, Allison Micallef and Donna Myers all celebrated reaching 5 years of Service with WECU.

I would like to take the opportunity of thanking Steve Sampson (WECU General Manager) for the outstanding contribution he has made to the organization as he moves towards his retirement from WECU in early 2020.

He has overseen the organization through a period of significant growth and we would not be in the strong position we currently enjoy without his passion, dedication and professionalism.

We all wish Steve well in his retirement and thank him greatly for his excellent service.

I would like to also recognize retiring Directors Chris Milburn and Richard Perry for their contribution to the Credit Union during their various times on the Board.

The support of the Woolworths Group is critical to the future success of the Credit Union and we wish to recognize their strong support over many years.

I express my sincere thanks to my fellow Directors who volunteer their time and energy with the governance, strategy and direction of the Credit Union and to the General Manager, Steve Sampson, and his Management team and our dedicated staff out in the branches and in the field who operate with the care and best interests of the Members.

Our Valuable Members receive our strongest thanks for their loyal support over the 48 years that WECU has operated and we look forward to your continued support as we move into a new and exciting period under our new Banner of Woolworth's Team Bank .

Sincere regards,

Tony Parle
Chairman

Your Directors present their report on the Credit Union for the financial year ended 30 June 2019.
The Credit Union is a company registered under the Corporations Act 2001.

Directors

The Directors of the Credit Union at any time during or since the end of the financial year are:

NAMES, QUALIFICATIONS, EXPERIENCES AND SPECIAL RESPONSIBILITIES

A.E. Parle (Chair)
MAMI, FCPA, GAICD
Bachelor of Business (Accounting)
Director since May 1994
Audit Committee
Governance & Remuneration Committee
Risk Committee

B. Ashley
MAMI, CA, GAICD
Graduate Diploma of Applied Finance
Bachelor of Commerce
Director since March 2018 (Audit Committee Chair since February 2019)

C.M. Elliott
MAMI
Bachelor of Commerce
Post Graduate Diploma (Management)
Director since September 2016
Audit Committee
Risk Committee (Chair since February 2017)

D.J. Rowan
Post Graduate Certificate (Management)
Diploma of Management
Director since August 2018

P.D. Ryan
MAMI
Post Graduate Certificate (Management)
Director since July 2001
Marketing & Development Committee (Chair)

A.M. Wilson (Deputy Chairman)
MAMI, GAICD
Master of Management
Masters in Risk Management
Director since November 2013
Governance & Remuneration Committee (Chair)

The Directors retire by rotation and/or as per the Constitution's Terms of Office provisions.

** MAMI – MEMBER OF AUSTRALASIAN MUTUALS INSTITUTE LTD.*
** GAICD – GRADUATE OF THE AUSTRALIAN INSTITUTE OF COMPANY DIRECTORS*
** FCPA – FELLOW OF CERTIFIED PRACTICING ACCOUNTANTS AUSTRALIA*

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.
The Company Secretary in office at the end of the year:-

S. W. Sampson
Diploma in Financial Services
FAMI, FFIN, FAIM, JP
General Manager since 2009
Company Secretary since 2011

No Director has received or become entitled to receive during, or since the financial year, a benefit because of a contract made by the Credit Union, controlled Credit Union, or a related body corporate with a Director, a firm of which a Director is a member or a Credit Union in which a Director has a substantial financial interest, other than that disclosed in note 20 of the financial report.

Review And Results Of Operations

The Credit Union experienced an increase of 2.04% in operating income during the year and an increase in non-interest expenses of 5.65%, resulting in an operating profit (after income tax) of $255.877, presenting a return on assets of 0.20%. Members' funds grew by 1.02%. Reserves now stand at $9.2 million, which equates to a capital adequacy level of 15.03%. In the opinion of the Directors, the results for the year were satisfactory. No dividend has been declared by the Directors.

Principal Activities

The principal activities of the Credit Union during the year were the provision of retail financial services to members in the form of taking deposits and giving financial accommodation as prescribed by the Constitution. No significant changes in the nature of these activities occurred during the year.

Significant changes in the state of affairs

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

Significant events after the balance date

No matters or circumstances have arisen since the end of the year, which significantly affected or may significantly affect the operations of the Credit Union, the results of those operations, or the state of the affairs of the Credit Union for the financial year ended 30 June 2019.

Likely developments and expected results

No other matter, circumstance or likely development in the operations has arisen since the end of the financial year that has significantly affected or may affect:-

- The operations of the Credit Union;
- The results of those operations; or
- The state of affairs of the Credit Union

in the financial years subsequent to this financial year.

Auditor's independence

The auditors have provided the declaration of independence to the board as prescribed by the Corporations Act 2001 as set out on page 15.

Rounding of amounts

The Credit Union is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar, or in certain cases, to the nearest thousand.

DIRECTORS' MEETINGS

The numbers of meetings of Directors (including meetings of committees of Directors) eligible to attend during the year and the number of meetings attended by each Director were as follows:

	Board Meeting		Audit Committee		Risk Committee		Marketing Committee		Remuneration Commitee		Total	
Director	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
A. E. Parle	11	9	6	5	5	5			5	5	27	24
P. D. Ryan	11	9					4	4	2	2	17	15
A. M. Wilson	11	11							5	5	16	16
C. Elliott	11	8	6	6	5	5	2	0			24	19
D. Rowan	10	10					3	3			13	13
B. Ashley	11	10	2	2	2	2					15	14

Indemnification and Insurance of Directors and Officers

During the year, a premium was paid in respect of a contract insuring Directors and Officers of the Credit Union against liability. The Officers of the Credit Union covered by the insurance contract include the Directors, Executive Officers, Secretary and Employees. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract. No insurance cover has been provided for the benefit of the Auditors of the Credit Union.

Signed in accordance with a resolution of the Directors.

A. E. Parle
Director
25 September 2019

B. Ashely
Director
25 September 2019

DIRECTORS' DECLARATION

THE DIRECTORS OF THE COMPANY DECLARE THAT:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

On behalf of the Board

A. E. Parle
Director
25 September 2019

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Independent Auditor's Report

To the Members of Woolworths Employees' Credit Union Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Woolworths Employees' Credit Union Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell

Darren Scammell
Partner – Audit & Assurance

Melbourne, 25 September 2019

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Auditor's Independence Declaration

To the Directors of Woolworths Employees' Credit Union Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Woolworths Employees' Credit Union Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell

D M Scammell
Partner – Audit & Assurance

Melbourne, 25 September 2019

	NOTE	2019 - $	2018 - $
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019			
Interest revenue	2	**5,042,623**	4,808,129
Interest expense	2	**-1,860,790**	-1,805,502
Net interest income	2	**3,181,833**	3,002,627
Fees, commission and other income	2	**855,519**	953,868
TOTAL OPERATING INCOME		**4,037,352**	3,956,495
Bad and doubtful debts	2	**5,625**	21,348
Other expenses	2	**3,684,149**	3,492,194
TOTAL EXPENSE	2	**3,689,774**	3,513,542
Profit before income tax		**347,578**	442,953
Income tax expense	3	**-91,701**	-123,131
PROFIT AFTER INCOME TAX		**255,877**	319,822
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME		**255,877**	319,822

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTE	2019 - $	2018 - $
ASSETS			
Cash	4	**5,520,107**	6,482,651
Investments at amortised cost	5	**13,101,563**	13,107,894
Receivables	6	**403,573**	452,955
Loans and advances	7	**107,516,635**	96,625,347
Property, plant and equipment	8	**217,966**	268,750
Intangible assets	9	**309,402**	218,529
Current tax assets	12	**13,926**	-
Other assets	11	**67,737**	135,151
TOTAL ASSETS		**127,150,909**	117,291,277
LIABILITIES			
Deposits	13	**105,969,400**	100,743,224
Payables and other liabilities	14	**1,197,071**	1,440,372
Due to other financial institutions	15	**10,709,821**	6,007,744
Current tax liabilities	12	**-**	37,350
Deferred tax liabilities	10	**63,045**	47,887
TOTAL LIABILITIES		**117,939,338**	108,276,577
NET ASSETS		**9,211,572**	9,014,700
MEMBERS FUNDS			
Retained earnings		**8,778,624**	8,619,709
General reserve for credit losses		**292,168**	261,351
Capital Profits Reserve		**140,780**	133,640
TOTAL MEMBERS FUNDS		**9,211,572**	9,014,700

These statements should be read in conjunction with the notes to the financial statements

	Note	2019 - $	2018 - $
STATEMENT OF CASH FLOWS YEAR ENDED 30 JUNE 2019			
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		5,045,200	4,795,992
Interest paid		-1,834,806	-1,757,847
Other non-interest income received		847,436	931,146
Bad debts recovered	2	5,219	8,583
Payments to suppliers		-3,583,017	-3,602,478
Net decrease (increase) in other receivables	6	46,819	-996
Net (decrease) increase in sundry creditors and other liabilities	14	-148,241	-714,350
Income tax paid		-135,346	-127,143
Net decrease (increase) in investments from other financial institutions	5	6,331	-986,094
Net decrease (increase) in loans and advances	7	-10,946,260	-2,574,286
Net increase in deposits	13	5,226,176	6,851,505
NET CASH FLOWS FROM OPERATING ACTIVITIES	16	-5,470,489	2,824,032
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets	9	-170,883	-56,451
Acquisition of property, plant and equipment	8	-41,249	-72,772
Proceeds from sale of property, plant and equipment		18,000	15,455
NET CASH FLOWS FROM INVESTING ACTIVITIES		-194,132	-113,768
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase (decrease) in borrowings	15	4,702,077	-1,000,836
NET CASH FLOWS FROM FINANCING ACTIVITIES		4,702,077	-1,000,836
NET (DECREASE) / INCREASE IN CASH HELD		-962,544	1,709,428
Cash at beginning of year		6,482,651	4,773,223
CASH AT END OF YEAR	16	5,520,107	6,482,651

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019	Retained Earnings $	General Reserve for Credit Losses $	Capital Profits Reserve $	Total $
Total at 1 July 2018	8,619,709	261,351	133,640	9,014,700
Adjustment on adoption of AASB 9	-59,005			-59,005
Adjusted total at 1 July 2018	8,560,704			8,955,695
Total Comprehensive Income for the year	255,877			255,877
Transfer to / from Retained Earnings	-30,817	30,817		-
Transfer to / from Capital Profits Reserve	-7,140		7,140	-
TOTAL AT 30 JUNE 2019	8,778,624	292,168	140,780	9,211,572

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018	Retained Earnings $	General Reserve for Credit Losses $	Capital Profits Reserve $	Total $
Total at 1 July 2017	8,310,890	252,158	131,830	8,694,878
Total Comprehensive Income for the year	319,822			319,822
Transfer to / from Retained Earnings	-9,193	9,193		-
Transfer to / from Capital Profits Reserve	-1,810		1,810	-
TOTAL AT 30 JUNE 2018	8,619,709	261,351	133,640	9,014,700

These statements should be read in conjunction with the notes to the financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

This complete set of financial statements is prepared for Woolworths Employees' Credit Union for the year ended 30 June 2019. The report was authorised for issue on 25 September 2019 in accordance with a resolution of the board of directors. The Credit Union is a public company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 522-550 Wellington Road, Mulgrave, Victoria 3170. The complete set of financial statements is presented in Australian dollars. The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensures compliance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The Credit Union is a for-profit entity for the purpose of preparing the financial statements.

(A) BASIS OF MEASUREMENT

The financial statements have been prepared on an accruals basis, and are based on historical cost, which do not take into account changing money values or current values of non-current assets, and a going concern basis. The accounting policies adopted are consistent with those of the previous year unless otherwise stated.

(B) NEW STANDARDS APPLICABLE FOR THE CURRENT YEAR

AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018.

The adoption of AASB 15 has been assessed on the following area for the Credit Union:

- Interest on loans/overdrafts
- Loan establishment fees and discounts
- Loan origination fees
- Other income through commissions

Subsequent to the Credit Union's assessment of the impact of AASB 15 on revenues earned during the financial year, it was determined that the implementation of this new guidance had no impact on the timing or amount of revenue recognised by the Credit Union during the year.

AASB 9 FINANCIAL INSTRUMENTS

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Credit Union has applied the modified retrospective approach, and opted to adjust beginning retained earnings for the financial year to appropriately account for the impact of AASB 9.

AASB 9 also contains new requirements on the application of hedge accounting. The credit union has not entered into any hedging arrangements during the financial year.

The adoption of AASB 9 has impacted the following areas:

CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

AASB 9 allows for three classification categories for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVPL). Classification is based on the business model in which a financial asset is managed and the related contractual cash flows. AASB 9 eliminates previous categories of held to maturity, loans and receivables and available for sale (AFS). The classification of financial liabilities is largely unchanged. Refer to the table below for a reconciliation of changes in classification and measurement of financial instruments on adoption of AASB 9.

RECONCILIATION OF FINANCIAL INSTRUMENTS ON ADOPTION OF AASB 9

On the date of initial application, 1 July 2018, the financial instruments of the credit union were reclassified as detailed in Table 1.

IMPAIRMENT OF THE GROUP'S FINANCIAL ASSETS

The credit union's financial assets carried at amortised cost and those carried at FVOCI are subject to AASB 9's new three-stage expected credit loss model. When adopting AASB 9, the credit union has undertaken a detailed assessment of the impact using the "expected credit loss model". The model demonstrates that AASB 9 adoption does not impose significant change in loan impairment recognition.

(C) FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are recognised when the Credit Union becomes a party to the contractual provisions of the financial instrument, and are measured initially at cost adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

POLICY APPLICABLE FROM 1 JULY 2018

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss, are presented within finance costs, finance income or other financial items, except for impairment of loans and receivables which is presented within other expenses.

(I) FINANCIAL ASSETS AT AMORTISED COST

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The credit union's cash and cash equivalents, receivables fall into this category of financial instruments as well as bonds, NCDs, FRNs and term deposits that were previously classified as held to maturity under AASB 139.

(II) FINANCIAL ASSETS AT FVTPL

Financial assets that are within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised as fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. The credit union does not have any financial instrument in the categories of FVPL.

(III) FINANCIAL ASSETS AT FVOCI

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless the dividends clearly represent return of capital. This category includes unlisted equity securities – CUSCAL Ltd and Shared Service Partners - that were previously classified as 'available for sale' under AASB 139.

(IV) CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

The Credit Union's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

POLICY APPLICABLE PRIOR TO 1 JULY 2018

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss, are presented within finance costs, finance income or other financial items, except for impairment of loans and receivables which is presented within other expenses.

(I) LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. The Credit Union's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates identified by the Credit Union.

(II) FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The Credit Union does not have any financial assets at FVTPL.

(III) HTM INVESTMENTS

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Credit Union has the intention and ability to hold them until maturity. The Credit Union currently holds Term deposits, Negotiable Certificates of Deposit (NCD) and Bonds in this category. If more than an insignificant portion of these assets are sold or redeemed early then the asset class will be reclassified as Available for Sale financial assets. HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

(IV) AVAILABLE FOR SALE (AFS) FINANCIAL ASSETS

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Credit Union's AFS financial assets comprises of the equity investment in Cuscal Limited.

The equity investment in Cuscal Limited is measured at cost less any impairment charges, as its fair value cannot currently be estimated reliably. Impairment charges are recognised in profit or loss. All other AFS financial assets are measured at fair value. Gains and losses on these assets are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss.

(V) Classification and subsequent measurement of financial liabilities

The Credit Union's financial liabilities include borrowings, trade and other payable and derivative financial instruments. Financial liabilities are measured subsequently at amortised cost using the effective interest method except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

(D) LOANS TO MEMBERS

(i) Basis of recognition

All loans are initially recognised at fair value, net of loan origination fees and inclusive of transaction costs incurred. Loans are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the loans using the effective interest method. Loans to members are reported at their recoverable amount representing the aggregate amount of principal and unpaid interest owing to the Credit Union at balance date, less any allowance or provision against impairment for debts considered doubtful. A loan is classified as impaired where recovery of the debt is considered unlikely as determined by the board of directors.

(ii) Interest earned

Term loans – interest is calculated on the basis of the daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Overdraft – interest is calculated initially on the basis of the daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Credit cards – the interest is calculated initially on the basis of the daily balance outstanding and is charged in arrears to a members account on the 26th day of each month, on cash advances and purchases in excess of the payment due date. Purchases are granted up to 55 days interest free until the due date for payment.

Non-accrual loan interest – while still legally recoverable, interest is not brought to account as income where the Credit Union is informed that the member has deceased, or, where a loan is impaired.

(iii) Loan origination fees and discounts

Loan establishment fees and discounts are initially deferred as part of the loan balance, and are brought to account as income over the expected life of the loan as interest revenue.

(iv) Transaction costs

Transaction costs are expenses which are direct and incremental to the establishment of the loan. These costs are initially deferred as part of the loan balance, and are brought to account as a reduction to income over the expected life of the loan as interest revenue.

(v) Fees on loans

The fees charged on loans after origination of the loan are recognised as income when the service is provided or costs are incurred.

(vi) Net gains and losses

Net gains and losses on loans to members to the extent that they arise from the partial transfer of business or on securitisation, do not include impairment write downs or reversals of impairment write downs.

(E) LOAN IMPAIRMENT

POLICY APPLICABLE AFTER 1 JULY 2018

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit loss model' (ECL). Instruments within the scope of the new requirements include loans and advances and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The credit union considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans) ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment (loans in default) at the reporting date.

MEASUREMENT OF ECL

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the credit union in accordance with the contract and the cash flows that the Credit union expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the credit union if the commitment is drawn down and the cash flows that the credit union expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the credit union expects to recover. Table 2 shows the impact of adopting AASB9.

CREDIT-IMPAIRED FINANCIAL ASSETS

At each reporting date, the credit union assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the credit union on terms that the credit union would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

Presentation of allowance for ECL in the statement of financial position.

Loss allowances for ECL are presented in the statement of financial position as follows:
- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the Credit union cannot identify the ECL on the loan commitment component separately from those on the drawn component: The credit union presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

POLICY APPLICABLE PRIOR TO 1 JULY 2018

(I) SPECIFIC AND COLLECTIVE PROVISION FOR IMPAIRMENT

A provision for losses on impaired loans is recognised when there is objective evidence that the impairment of a loan has occurred. Estimated impairment losses are calculated on either a portfolio basis for loans of similar characteristic, or on an individual basis. The amount provided is determined by management and the board to recognise the probability of loan amounts not being collected in accordance with terms of the loan agreement. The critical assumptions used in the calculation are set out in Note 7 and Note 24 details the credit risk management approach for loans.

The APRA Prudential Standards require a minimum provision to be maintained, based on specific percentages on the loan balance which are contingent upon the length of time the repayments are in arrears. This approach is used to assess the collective provisions for impairment.

An assessment is made at each balance date to determine whether there is objective evidence that a specific financial asset or a group of financial assets is impaired. Evidence of impairment may include indications that the borrower has defaulted, is experiencing significant financial difficulty, or where the debt has been restructured to reduce the burden on the borrower.

(II) RESERVE FOR CREDIT LOSSES

In addition to the above specific provision, the board has recognised the need to make an allocation from retained earnings to ensure there is an adequate protection for members against the prospect that some members will experience loan repayment difficulties in the future. The reserve is based on estimation of potential risk in the loan portfolio based upon:
- The level of security taken as collateral; and
- The concentration of loans taken by employment type.

(III) RENEGOTIATED LOANS

Loans which are subject to renegotiated loan terms which would have otherwise been impaired do not have the repayment arrears diminished and interest continues to accrue to income. Each renegotiated loan is retained at the full arrears position until the normal repayments are reinstated and brought up to date and maintained for a period of 6 months.

(F) BAD DEBTS WRITTEN OFF (DIRECT REDUCTION IN LOAN BALANCE)

Bad debts are written off from time to time as determined by management and the board of directors when it is reasonable to expect that the recovery of debt is unlikely. Bad debts are written off against the provisions for impairment, if a provision for impairment had previously been recognised. If no provision had been recognised, the write offs are recognised as expenses in profit or loss.

(G) CASH AND LIQUID ASSETS

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(H) DEPOSITS WITH OTHER FINANCIAL INSTITUTIONS

Term deposits and negotiable certificates of deposit with other financial institutions are unsecured and have a carrying amount equal to their principal amount. Interest is paid on the daily balance at maturity. Interest is recognised when earned. The accrual for interest receivable is calculated on a proportional basis of the expired period of the term of the investment. Interest receivable is included in the amount of receivables in the statement of financial position.

(I) EQUITY INVESTMENTS AND OTHER SECURITIES

Investments in shares are classified as available for sale financial assets where they do not qualify for classification as loans and receivables, or investments held for trading. Investments in shares which do not have a ready market and are not capable of being reliably valued are recorded at the lower of cost or recoverable amount. Movements in available for sale asset balances are reflected in equity through the Available for Sale Reserve.

(J) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are depreciated on a straight line basis so as to write off the net cost of each asset over its expected useful life to the Credit Union. The useful lives are adjusted if appropriate at each reporting date. Estimated useful lives at reporting date are:-

Leasehold improvements:........ 7 years
Plant and equipment:............... 3 to 5 years

(K) INTANGIBLE ASSETS

Items of computer software which are not integral to the computer hardware owned by the Credit Union are classified as intangible assets. Computer software is amortised over the expected useful life of the software. These lives range from 3 to 8 years.

(L) MEMBER SAVINGS

(I) BASIS FOR MEASUREMENT
Member savings and term investments are quoted at the aggregate amount payable to depositors as at the balance date.

(II) INTEREST PAYABLE
Interest on savings is calculated on the daily balance and posted to the accounts periodically, or on maturity of the term deposit. Interest on savings is brought to account on an accrual basis in accordance with the interest rate terms and conditions of each savings and term deposit account, as varied from time to time. The amount of the accrual is shown as part of amounts payable.

(M) DUE TO OTHER FINANCIAL INSTITUTIONS

Amounts due to other financial institutions are carried at the principal amount. Interest is charged as an expense as it accrues.

(N) ACCOUNTS PAYABLE AND OTHER LIABILITIES

Liabilities for trade creditors and accruals are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Credit Union.

(O) EMPLOYEE ENTITLEMENTS

Employee entitlements are not provided for on the Credit Union's statement of financial position. The Credit Union is charged a loading on salaries for employee entitlements by the host organisation, Woolworths Limited. Provision for employee entitlements are maintained by Woolworths Limited.

(P) INCOME TAX

The income tax expense shown in profit or loss is based on
the profit before income tax adjusted for any non tax deductible, or non-assessable items between accounting profit and taxable income. Deferred tax assets and liabilities are recognised using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets or liabilities and their carrying amounts in the financial statements. Current and deferred tax balances relating to amounts recognised directly in equity.

Deferred tax assets and liabilities are recognised for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable. These differences are presently assessed at 27.5%. Deferred tax assets are only brought to account if it is probable that future taxable amounts will be available to utilise those temporary differences. The recognition of these benefits is based on the assumption that no adverse change will occur in income tax legislation; and the anticipation the Credit Union will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law to permit a income tax benefit to be obtained.

(Q) GOODS AND SERVICES TAX

As a financial institution the Credit Union is input taxed on all income except for income from commissions and some fees. An input taxed supply is not subject to GST collection, and similarly the GST paid on related or apportioned purchases cannot be recovered. As some income is charged GST, the GST on purchases are generally recovered on a proportionate basis. In addition certain prescribed purchases are subject to reduced input taxed credits (RITC), of which 75% of the GST paid is recoverable.

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST). To the extent that the full amount of the GST incurred is not recoverable from the Australian Taxation Office (ATO), the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the statement of financial position. Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(R) IMPAIRMENT OF ASSETS

At the reporting date the Credit Union assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In determining recoverable amount the expected net cash flows have not been discounted to their present value using a market determined risk adjusted discount rate.

(S) ROUNDING OF AMOUNTS

The Credit Union is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar, or in certain cases, to the nearest thousand.

(T) ACCOUNTING ESTIMATES AND JUDGEMENTS

Management have made judgements when applying the Credit Union's accounting policies with respect to the classification of member withdrawable shares as liabilities. Management have made critical accounting estimates when applying the Credit Union's accounting policies with respect to the impairment provisions for loans.

(U) NEW OR EMERGING STANDARDS NOT YET MANDATORY

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting period. Effective 1 July 2019, AASB 16 replaces AASB 117 Leases and some lease-related interpretations:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- Provides new guidance on the application of the definition of a lease and on sale and lease-back accounting; and
- Requires new and different disclosures about leases.

The Credit Union has undertaken an assessment of the impact of AASB 16 Leases, and has determined that the standard will have $nil impact on the financial statements in future financial periods. This assessment was predicated upon the fact that the Credit Union does not hold any leases, nor act as lessor in any leasing arrangements. Therefore, there is no impact to be assessed in relation to AASB 16 *Leases*.

Table 1: Reclassification of financial assets and liabilities under AASB 9:

	Measurement Category		Carrying Amount ($'000)		
	Original AASB 139 category	New AASB 9 category	Closing balance 30 Jun 2018 (AASB 139)	Adoption of AASB 9	Opening balance 1 Jul 2018 (AASB 9)
Assets					
Loans and advances to members	Loans and receivables	Amortised cost	96,625	-	96,625
Receivables	Loans and receivables	Amortised cost	453	-	453
Cash	Amortised cost	Amortised cost	6,483	-	6,483
Investments	Held to maturity	Amortised cost	13,108	-	13,108
Total financial assets			**116,669**	**-**	**116,669**
Liabilities					
Payables and other liabilities	Amortised cost	Amortised cost	1,440	-	1,440
Deposits	Amortised cost	Amortised cost	100,743	-	100,743
Total financial liabilities			**101,883**	**-**	**101,883**

Table 2: AASB 9 Impact

Statement of Financial Position (Extract)	Amounts under AASB 137 $'000	Adjustments $'000	Amounts under AASB 9 $'000
1/07/2018 Retained Earnings	8,620	(59)	8,561
Loans and advances	107,556	(40)	107,516
Profit & Loss Position (Extract)	**Amounts under AASB 137 $'000**	**Adjustments $'000**	**Amounts under AASB 9 $'000**
Bad and doubtful debts	25	(19)	6

2. OPERATING PROFIT

NET PROFIT BEFORE TAX HAS BEEN DETERMINED AFTER:	2019 - $	2018 - $
INTEREST REVENUE		
Loans and advances	4,648,123	4,446,332
Deposits with other financial institutions	394,500	361,797
	5,042,623	4,808,129
INTEREST EXPENSE		
Member deposits	1,727,211	1,667,707
Short term borrowings	133,579	137,795
	1,860,790	1,805,502
NET INTEREST INCOME	3,181,833	3,002,627
FEES,COMMISSION AND OTHER INCOME		
Gain on sale of non-current assets	2,864	14,139
Fees and commissions		
- Other fee income	314,031	370,884
- Insurance commissions	303,233	312,081
- Other commissions	157,990	166,501
Bad debts recovered	5,219	8,583
Other income	72,182	81,680
FEES,COMMISSION AND OTHER INCOME	855,519	953,868
NON-INTEREST EXPENSE		
Bad and doubtful debts	5,625	21,348
Amortisation - Software	83,171	74,600
Depreciation - Property plant and equipment	74,418	89,296
General and administration		
- Personnel costs	1,673,302	1,662,275
- Other	1,853,258	1,666,023
NON-INTEREST EXPENSE	3,689,774	3,513,542
PROFIT BEFORE TAX	347,578	442,953

3. INCOME TAX

THE PRIMA FACIE TAX ON PROFIT IS RECONCILED TO THE INCOME TAX EXPENSE AS FOLLOWS:		
PRIMA FACIE TAX ON PROFIT BEFORE TAX AT 27.5%	95,584	121,.812
TAX EFFECT OF:		
Tax on non-deductible expenses	1431	1,319
Other adjustments	-5314	-
INCOME TAX EXPENSE ATTRIBUTABLE TO PROFIT	91,701	123,131
The income tax expense comprises of amounts set aside for current year profits.		
The franking account balance at year end, adjusted for income tax payable is	2,456,595	2,328,757

4. CASH

	2019 - $	2018 - $
Cash on hand	219,825	208,763
Cash at banks	5,300,282	6,273,888
	5,520,107	6,482,651

5. INVESTMENTS AT AMORTISED COST

Bonds	7,018,480	7,029,415
Negotiable Certificates of Deposit	3,982,156	3,975,951
CUSCAL Security Deposit	2,100,927	2,102,528
	13,101,563	13,107,894

6. RECEIVABLES

Interest receivable	49,189	51,751
Other receivables	354,384	401,204
	403,573	452,955

All receivables are due within 12 months.

7. LOANS AND ADVANCES

	Gross Carrying value 2019 $	ECL Allowance 2019 $	Carrying value 2019 $	Gross Carrying value 2018 $	Provision for impairment 2018 $	Carrying value 2018 $
Residential loans	98,312,970	-	98,312,970	88,747,510	0	88,747,510
Personal loans	8,097,230	-67,912	8,029,318	6,690,734	-13,341	6,677,393
Overdrafts and credit cards	1,179,971	-5,624	1,174,347	1,205,667	-5,223	1,200,444
Total	107,590,171	-73,536	107,516,635	96,643,911	-18,564	96,625,347

A) DIRECTORS AND DIRECTOR-RELATED ENTITIES

Loans to director-related entities	40,545	49,839

B) MATURITY ANALYSIS

Overdrafts	290,080	298,263
Credit Card	889,891	907,404
Not longer than 3 months	4,074	1,450
Longer than 3 months and not longer than 12 months	244,736	248,729
Longer than 1 month and not longer than 5 years	5,356,562	4,908,004
Longer than 5 years	100,804,828	90,280,061
TOTAL LOANS	107,590,171	96,643,911

7. LOANS AND ADVANCES ...CONTINUED

C) CREDIT QUALITY - SECURITY HELD AGAINST LOANS	2019 - $	2018 - $
Secured by mortgage over real estate	**98,312,970**	88,747,510
Partially secured by goods mortgage	**6,787,483**	5,461,794
Wholly unsecured	**2,489,718**	2,434,607
	107,590,171	96,643,911

It is not practicable to value all collateral as at balance date due to the variety of assets and condition.
A breakdown of the quality of the residential mortgage security on a portfolio basis is as follows:-

SECURITY HELD AS MORTGAGE AGAINST REAL ESTATE IS ON THE BASIS OF:-

- loan to valuation ratio of less than 80%	**85,334,026**	81,188,538
- loan to valuation ratio of more than 80% but mortgage insured	**12,978,944**	7,558,972
	98,312,970	88,747,510

Where the loan value is less than 80% there is a margin more than 20% to cover the costs of any sale, or potential value reduction.

D) CONCENTRATION OF LOANS

Loans to members are predominantly to employees of Woolworths Group Limited and their families.

GEOGRAPHICAL CONCENTRATIONS - 2019	Housing 2019 - $	Other 2019- $
Victoria	**56,398,607**	**3,740,977**
NSW	**34,713,444**	**4,242,108**
Tasmania	**1,518,106**	**226,147**
Queensland	**3,975,848**	**856,796**
Western Australia	**339,610**	**83,771**
South Australia	**1,030,326**	**68,746**
Australian Capital Territory	**90,695**	**38,576**
Northern Territory	**246,334**	**20,079**
	98,312,970	**9,277,202**

GEOGRAPHICAL CONCENTRATIONS - 2018	Housing 2018 - $	Other 2018 - $
Victoria	53,758,809	3,512,894
NSW	29,175,952	3,663,496
Tasmania	855,378	126,680
Queensland	3,543,549	478,282
Western Australia	643,576	61,892
South Australia	454,638	15,666
Australian Capital Territory	84,948	36,170
Northern Territory	230,660	1,321
	88,747,510	7,896,401

E) SECURITISED LOANS

The Credit Union acts as an agent for a securitisation entity to arrange and fund loans made directly by the securitisation entity. These loans do not qualify for recognition and are not recognised in the books of the Credit Union at any time. The value of securitised loans under management is set out in Note 22.

(F) TRANSFERS OF FINANCIAL ASSETS – OFF BALANCE SHEET LOANS

The Credit Union has an off balance sheet funding facility with Bendigo and Adelaide Bank. This facility replaces securitised loans facility funded through Integris. These loans do not qualify for recognition and are not recognised in the books of the Credit Union at any time. The value of off balance sheet loans under management is set out in Note 23.

7. LOANS AND ADVANCES ...CONTINUED

G) PROVISION FOR IMPAIRMENT

	Stage 1 12 month ECL 2019 $	Stage 2 Lifetime ECL 2019 $	Stage 3 Lifetime ECL 2019 $	Total 2019 $	Total 2018 $
Loans to members					
Balance at 1 July per AASB 139	-	-	-	-18,564	-29,948
Adjustment on initial application of AASB 9				-59,005	-
Balance at 1 July per AASB 9	-18,861	-40,144	-18,564	-77,569	-29,948
Changes in the loss allowance					
- Transfer to stage 1	994	-	-	994	
- Transfer to stage 2	-	14,319	-	14,319	
- Transfer to stage 3	-	-	-1,622	-1,622	
- Net movement due to change in credit risk	-	-	-	0	-21,348
- Write-offs		-	-9,658	-9,658	32,732
- Recoveries of amounts previously written off	-	-	-	0	
Balance at 30 June	-17,867	-25,825	-29,844	-73,536	-18,564

Key assumptions in determining the provision for impairment:

The Credit Union has determined the likely impairment loss on loans which have not maintained the loan repayments in accordance with the loan contract, or where there is other evidence of potential impairment such as industrial restructuring, job losses or economic circumstances. In identifying the impairment, the Credit Union is required to estimate the potential impairment using the length of time the loan in arrears and the historical losses arising in past years. Given the relatively small number of impaired loans, the circumstances may vary for each loan over time resulting in higher or lower impairment losses. An estimate is based on the period of impairment. A provision is allowed for specifically identified loans. The policy covering impaired loans and advances is set out in Note 1(E).

ANALYSIS OF LOANS IMPAIRED OR POTENTIALLY IMPAIRED BY CLASS	2019 - $ VALUE OF IMPAIRED LOANS	2019 - $ PROVISION FOR IMPAIRMENT
Mortgage	319,676	-
Personal	67,021	67,913
Credit Card and Overdrafts	57,072	5,623
	443,769	73,536

ANALYSIS OF LOANS IMPAIRED OR POTENTIALLY IMPAIRED BY CLASS	2018 - $ VALUE OF IMPAIRED LOANS	2018 - $ PROVISION FOR IMPAIRMENT
Mortgage	1,053,864	-
Personal	71,647	13,341
Credit Card and Overdrafts	67,298	5,223
	1,192,809	18,564

7. LOANS AND ADVANCES ...CONTINUED

ANALYSIS OF LOANS THAT ARE IMPAIRED OR POTENTIALLY IMPAIRED BASED ON AGE OF REPAYMENTS OUTSTANDING	2019 -$ CARRYING VALUE	2019 - $ PROVISION
Not impaired loans and loans less than 30 days in arrears	107,146,402	37,485
30 to 90 days in arrears	15,546	2,196
90 to 180 days in arrears	354,399	13,889
180 to 270 days in arrears	12,282	7,369
270 to 365 days in arrears	4,470	3,576
Over 365 days in arrears	-	-
Overlimit facilities over 14 days	57,072	9,021
TOTAL	107,590,171	73,536

ANALYSIS OF LOANS THAT ARE IMPAIRED OR POTENTIALLY IMPAIRED BASED ON AGE OF REPAYMENTS OUTSTANDING	2018 -$ CARRYING VALUE	2018 - $ PROVISION
Not impaired loans and loans less than 30 days in arrears	95,451,102	-
30 to 90 days in arrears	977,284	-
90 to 180 days in arrears	8,582	3,433
180 to 270 days in arrears	3,502	3,072
270 to 365 days in arrears	136,143	-
Over 365 days in arrears	-	-
Overlimit facilities over 14 days	67,298	12,059
TOTAL	96,643,911	18,564

The impaired loans are generally not secured against residential property. Some impaired loans are secured by bill of sale over motor vehicles or assets of varying value. It is not practicable to determine the fair value of all collateral as at balance date due to the variety of assets and condition.

NON ACCRUAL LOANS	2019 - $	2018 - $
Balances with specific provisions for impairment	59,077	21,480
Specific provision for impairment	-73,536	-18,564
NET NON ACCRUAL LOANS	-14,459	2,916
PAST-DUE LOANS		
BALANCE	377,217	151,968

The loans that are past due are not considered for impairment as they are well secured.
There were no renegotiated loans during the year.

8. PROPERTY PLANT AND EQUIPMENT

	2019 - $	2018 - $
OFFICE EQUIPMENT		
At cost	52,083	52,142
Provision for depreciation	-34,281	-38,598
	17,802	13,544
EDP EQUIPMENT		
At cost	171,644	159,797
Provision for depreciation	-81,113	-76,527
	90,531	83,270
MOTOR VEHICLES		
At cost	231,243	265,645
Provision for depreciation	-121,610	-93,709
	109,633	171,936
TOTAL PLANT AND EQUIPMENT	217,966	268,750
TOTAL PROPERTY,PLANT AND EQUIPMENT		
Cost	454,970	477,584
Provision for depreciation and amortisation	-237,004	-208,834
Total written down amount	217,966	268,750

MOVEMENT IN CARRYING AMOUNTS		
MOVEMENT IN CARRYING AMOUNTS– OFFICE EQUIPMENT		
Balance at beginning of financial year	13,544	19,560
Additions	9,594	1,743
Depreciation expense	-5,336	-7,759
CARRYING AMOUNT AT END OF FINANCIAL YEAR	17,802	13,544
MOVEMENT IN CARRYING AMOUNTS – EDP EQUIPMENT		
Balance at beginning of financial year	83,270	107,005
Additions	31,655	3,852
Depreciation expense	-24,394	-27,587
CARRYING AMOUNT AT END OF FINANCIAL YEAR	90,531	83,270
MOVEMENT IN CARRYING AMOUNTS – MOTOR VEHICLES		
Balance at beginning of financial year	171,936	160,025
Additions	-	67,177
Depreciation expense	-44,688	-53,950
Disposals	-17,615	-1,316
CARRYING AMOUNT AT END OF FINANCIAL YEAR	109,633	171,936
MOVEMENT IN CARRYING AMOUNTS -TOTAL		
Balance at beginning of financial year	268,750	286,590
Additions	41,249	72,772
Depreciation expense	-74,418	-89,296
Disposals	-17,615	-1,316
CARRYING AMOUNT AT END OF FINANCIAL YEAR	217,966	268,750

9. INTANGIBLE ASSETS

	2019 - $	2018 - $
Computer software	578,352	421,245
Less Provision for amortisation	-268,950	-202,716
	309,402	218,529

10. DEFFERED TAX ASSETS / (LIABILITIES)

Deferred tax assets / (liabilities)	-63,045	-47,887

DEFERRED TAX ASSETS / (LIABILITIES) COMPRISE TEMPORARY DIFFERENCES ATTRIBUTABLE TO:

Deferred loan fees/costs (per effective interest rate method), and provisions.

11. OTHER ASSESTS

Prepayments	67,737	135,151

12. CURRENT TAX ASSETS/LIABILITIES

Current income tax receivable	13,926	-
Current income tax payable	-	37,350

13. DEPOSITS

Call deposits	56,836,311	49,546,911
Term deposits	48,963,953	51,028,163
Member withdrawable shares	169,136	168,150
	105,969,400	100,743,224

(A) MATURITY ANALYSIS

On call	56,836,311	49,546,911
Not longer than 3 months	22,878,403	26,351,810
Longer than 3 and not longer than 12 months	25,165,849	24,243,471
Longer than 1 and not longer than 5 years	919,701	432,882
No maturity specified	169,136	168,150
	105,969,400	100,743,224

(B) CONCENTRATION OF RISK

The Credit Union's deposit portfolio does not include any deposit which represents 10% or more of total liabilities.

Member deposits at balance date were received from individuals employed principally with Woolworths Group Limited.

GEOGRAPHICAL CONCENTRATIONS

Victoria	71,357,470	68,416,144
NSW	28,438,090	27,376,577
Tasmania	1,042,097	1,080,894
Queensland	3,945,447	2,899,100
Western Australia	427,884	311,669
South Australia	394,221	255,939
Australian Capital Territory	315,992	275,493
Northern Territory	48,199	127,408
	105,969,400	100,743,224

14. PAYABLES AND OTHER LIABILITIES

	2019 - $	2018 - $
Trade creditors	153,681	274,529
Accrued interest payable	405,149	379,166
Sundry creditors & other liabilities	638,241	786,677
	1,197,071	1,440,372

All accounts payable and other liabilities are due within 12 months.

15. DUE TO OTHER FINANCIAL INSTITUTIONS

Secured liabilities	10,709,821	6,007,744

The borrowings are secured by a fixed and floating charge over the assets of the Credit Union.

All borrowings are due within 3 months.

16. STATEMENT OF CASH FLOWS

(A) RECONCILIATION OF THE OPERATING PROFIT AFTER TAX TO THE NET CASH FLOWS FROM OPERATIONS		
Operating profit after tax	255,877	319,822
Provision for impairment	15,291	-11,384
Depreciation and amortisation	156,907	163,896
Net gain on disposal of plant and equipment	-2,864	-14,139
CHANGES IN ASSETS AND LIABILITIES		
Interest receivable	2,562	-12137
Trade creditors	-121,044	-254,514
Accrued interest payable	25,984	47,655
Tax provision	-70,599	-12,839
Deferred tax assets	15,158	8,827
Prepayments	67,414	13,066
Deposits with other financial institutions	6,331	-986,094
Loans and advances	-10,946,260	-2,574,286
Deposits	5,226,176	6,851,505
Other receivables	46,819	-996
Sundry creditors and other liabilities	-148,241	-714,350
NET CASH FLOWS FROM OPERATING ACTIVITIES	-5,470,489	2,824,032

(B) RECONCILIATION OF CASH		
CASH BALANCE COMPRISES:		
Cash	219,825	208,763
Bank	5,300,282	6,273,888
CLOSING CASH BALANCE	5,520,107	6,482,651

16. STATEMENT OF CASH FLOWS ...CONTINUED

(C) CASH FLOWS PRESENTED ON A NET BASIS

Cash flows arising from the following activities are presented on a net basis in the statement of cash flows:

(a) member deposits to and withdrawals from deposit accounts.

(b) borrowings and repayments on loans and advances.

(D) BANK OVERDRAFT FACILITY

The Credit Union has a bank overdraft facility available to the extent of $400,000 (2018: $400,000).

The facility is secured by a fixed and floating charge over the assets of the Credit Union.

17. CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

In the normal course of business the Credit Union enters into various types of contracts that give rise to contingent or future obligations. These contracts generally relate to the financing needs of members.

CREDIT RELATED COMMITMENTS

Binding commitments to extend credit are agreements to lend to a member as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

	2019 - $	2018 - $
Approved but undrawn loans and credit limits	**923,580**	890,697
Loan redraw facilities available	**6,457,458**	6,312,030

OTHER EXPENSE COMMITENTS

Not later than 1 year	**383,916**	378,768
later than 1 year but not 2 years	**352,130**	390,131
Later than 2 years but not 5 years	**223,056**	545,427
Greater than 5 years	-	-
	959,102	1,314,326

UNDRAWN LOAN FACILITIES

Loan facilities available to members for overdrafts and line of credit loans are as follows:-

Total value of facilities approved	**1,797,778**	1,807,578
Less amount advanced	**-1,179,971**	-1,205,667
NET UNDRAWN VALUE	**617,807**	601,911

LIQUIDITY SUPPORT SCHEME

The Credit Union is a member of the Credit Union Financial Support Scheme Limited (CUFSS), a company limited by guarantee, established to provide financial support to member Credit Unions in the event of a liquidity or capital problem. As a member, the Credit Union is committed to maintaining 3.1% of total assets as deposits in its Austraclear account.

Under the terms of the Industry Support Contract (ISC), the maximum call for each participating Credit Union would be 3.1% of the Credit Union's total assets. This amount represents the Credit Union's irrevocable commitment under the ISC. At balance date, there were no loans issued.

18. SUBSEQUENT EVENTS

The Credit Union is currently in the process of implementing its Business Transformation Project which includes changing its name that will hopefully assist in marketing the Credit Union as a banking institution for all Woolworths Group Team Members.
Changes to law now allow authorised deposit taking institutions, such as the Credit Union, to adopt and use the term " Bank " included in their name, without meeting any additional legal, financial or regulatory requirements.
On 27 August 2019, at a special resolution of members, by majority vote, the company name of the Credit Union was changed to "Woolworths Team Bank Limited ". This new name was registered with ASIC on 28 August 2019.
The change in name will not have any effect on the rights of members, in particular the Credit Union will remain a Mutual, owned by its member customers under exactly the same constitutional rules as currently apply. It is proposed to launch our new brand and name in February 2020.

19. AUDITORS' REMUNERATION

	2019 - $	2018 - $
Amounts received or due and receivable by the auditors of Woolworths Employees' Credit Union Limited		
Audit of the financial statements of the Credit Union - Grant Thornton	50,000	50,000
(Includes statutory audit, APRA audit and ASIC financial services licence audit)		
Taxation Services	10,000	6,000
	60,000	56,000

20. RELATED PARTY DISCLOSURES

(A) REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Credit Union, directly or indirectly, including any director (whether executive or otherwise) of that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Key management personnel has been taken to comprise the directors and 2 members of the executive management team responsible for the day to day financial and operational management of the Credit Union.

The aggregate compensation of key management persons during the year was $386,226 (2018: $401,904) comprising wages, salaries, fringe benefits received, superannuation contributions, paid annual and sick leave and bonuses.

(B) LOANS TO KEY MANAGEMENT PERSONNEL

The aggregate value of loans to key management personnel amounted to $433,036 (2018: $441,671). Loans to key management personnel are approved on the same terms and conditions, which are applied to members. There are no benefits or concessional terms and conditions applicable key management persons or their close family members. There are no loans, which are impaired in relation to key management persons.

(C) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Other transactions with related parties include deposits from key management personnel. The total value of savings and term deposits from key management personnel amounted to $60,199 (2018: $114,953).

(D) THE FOLLOWING RELATED PARTY TRANSACTIONS OCCURRED DURING THE FINANCIAL YEAR:

(i) Transactions with other related parties

There were no transactions with related parties other than those disclosed elsewhere in this note.

(ii) Transactions with the directors of Woolworths Employees' Credit Union Limited

There were no transactions with directors at concessional interest rates.

(iii) Transactions with director-related entities

There were no transactions with director related entities at concessional interest rates.

21. OUTSOURCING ARRANGEMENTS

The Credit Union has arrangements with other organisations to facilitate the supply of services to members.

(a) **CUSCAL Limited**

CUSCAL is an Authorised Deposit Taking Institution registered under the Corporations Act 2001 and the Banking Act. This organisation:

(i) provides the licence rights to Visa Card in Australia and settlement with other institutions for ATM, Visa card and cheque transactions, direct entry transactions, as well as the production of Visa and Redicards for use by members;

(ii) This company operates the computer network used to link Redicards and Visa cards operated through Reditellers and other approved ATM providers to the Credit Union's IT Systems.

(iii) provides treasury and money market facilities to the Credit Union.

(b) **Ultradata Australia Pty Ltd**

Provides and maintains the application software utilised by the Credit Union.

(c) **Transaction Solutions Limited**

This service provider operates the computer facility on behalf of the Credit Union in conjunction with other Credit Unions. The Credit Union has a management contract with the company to supply computer support staff and services to meet the day to day needs of the Credit Union and compliance with the relevant Prudential Standards.

22. SECURITISATION

The Credit Union had an arrangement with Integris Securitisation Services Pty Ltd whereby it acted as an agent to promote and complete loans on their behalf, for on sale to an investment trust. The Credit Union also manages the loans portfolio on behalf of the trust, and bears no risk exposure in respect of these loans. The amount of securitised loans under management as at 30 June 2019 is $24,142 (2018: $26,931). The Credit Union has not funded any loans under this facility in 2018-2019.

23. TRANSFERS OF FINANCIAL ASSETS

The credit union has established arrangements for the transfer of loan contractual benefits of interest and repayments to support ongoing liquidity facilities. These arrangements are with:-

- The Integris securitisation trust where the Credit Union acts as agent for the trust in arranging loans on behalf of Integris, and/or can transfer the contractual rights to the trust of pre-existing loans at market value; and
- Bendigo and Adelaide Bank (Bendigo) where the Credit Union has arrangements where it can transfer the contractual rights to Bendigo of pre-existing loans at market value.

Only residential mortgage-backed securities (RMBS) that meet specified criteria, are eligible to be transferred in each of the above situations.

Securitised loans not on the balance sheet - Derecognised in their entirety

The values of securitised loans which are qualifying for de-recognition arising from transfer of interest in the loans, as the conditions do not meet the criteria in the accounting standards. In each case the loans are variable interest rate loans, hence the book value of the loans transferred equates to the fair value of those loans.

The associated liabilities are equivalent to the book value of the loans reported.

Integris Securitisation Services Pty Ltd

The Integris securitisation trust is an independent securitisation vehicle established by the peak Credit Union body Cuscal. The Credit Union has an arrangement with Integris Securitisation Services Pty Ltd whereby it acts as an agent to promote and complete loans on their behalf, for on sale to an investment trust. The Credit Union also manages the loans portfolio on behalf of the trust. The Credit Union bears no risk exposure in respect of these loans. The Credit Union receives a management fee to recover the costs of administration of the processing of the loan repayments and the issue of statements to the members.

The Credit Union does not have any obligations in connection with performance or impairment guarantees, or call options to repurchase the loans. Refer to the Bendigo and Adelaide Bank lending facility below.

Bendigo and Adelaide Bank non-securitisation lending facility

As the Integris Securitisation program through Cuscal was discontinued in February 2014, the Credit Union as well as a number of other participating Credit Unions, as a consequence and as an alternative, entered into an APRA approved Receivables Acquisition and Servicing Agreement with the Bendigo and Adelaide Bank (Bendigo). This off - Balance Sheet loan funding facility is designed to cater for larger loans and/or high loan demand that on-Balance Sheet liquidity cannot readily address. Under this arrangement the Credit Union will assign mortgage secured loans to Bendigo at the book value of the loans, subject to acceptable documentation criteria with a complete absence of any securitisation vehicle and/or securitisation related matters.

The Credit Union will contract directly with Bendigo and will be responsible for ensuring the funding program is suitable for the organisation as well as its ongoing availability and administration.

The loans transferred qualify for de-recognition on the basis that the assignment transfers all the risks and rewards to Bendigo and there are no residual benefits to the Credit union. The Credit union receives a management fee to recover the costs of ongoing administration for processing of the loan repayments and the issue of statements to the members.

The amount of loans under management through this facility as at 30 June 2019 is $7,159,712 (2018: $7,281,162).

24. FINANCIAL INSTRUMENTS

(A) NET FAIR VALUES

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows.

	TOTAL CARRYING AMOUNT AS PER STATEMENT OF FINANCIAL POSITION		AGGREGATE NET FAIR VALUE	
	2019 - $	2018 - $	2019 - $	2018 - $
FINANCIAL ASSETS				
Cash and liquid assets	5,520,107	6,482,651	5,520,107	6,482,651
Investments at amortised cost	13,101,563	13,107,894	13,101,563	13,107,894
Loans and advances	107,516,635	96,625,347	107,516,635	96,625,347
Receivables	403,573	452,955	403,573	452,955
Total financial assets	126,541,878	116,668,847	126,541,878	116,688,847
FINANCIAL LIABILITIES				
Deposits	105,969,400	100,743,224	105,969,400	100,743,224
Borrowings	10,709,821	6,007,744	10,709,821	6,007,744
Trade creditors and accruals	1,197,072	1,440,372	1,197,072	1,440,372
Total financial liabilities	117,876,293	108,191,340	117,876,293	108,191,340

THE FOLLOWING METHODS AND ASSUMPTIONS ARE USED TO DETERMINE THE NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

RECOGNISED FINANCIAL INSTRUMENTS

Cash and liquid assets and due from other financial institutions: The carrying amounts approximate fair value because of their short-term to maturity or are receivable on demand.

Current securities and investments: The redemption value of term deposits at balance date approximates fair value. These investments are intended to be held until maturity.

Trade payables and due to other financial institutions: The carrying amount approximates fair value, as they are short term in nature.

Short-term borrowings: The carrying amount approximates fair value because of their short-term to maturity.

Loan and advances: The fair values of variable rate loans receivable including impaired loans are estimated at their carrying value.

Investments/securities: For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for a liability, adjusted for transaction costs necessary to realise the asset or settle the liability. For investments where there is no quoted market price, fair value is estimated at lower of cost or recoverable amount.

Other financial liabilities: This includes interest payable and unrealised expenses payable for which the carrying amount is considered to be a reasonable estimate of net fair value.

All classes of financial assets and financial liabilities are held at amortised cost.

(B) CREDIT RISK EXPOSURES

The Credit Union's maximum exposures* to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

CONCENTRATIONS OF CREDIT RISK

The Credit Union minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of members within the specified category. All members are concentrated in Australia.

Credit risk in loans receivable is managed in the following ways:

– a risk assessment process is used for all members; and
– credit insurance is obtained for high-risk members.

*The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

24. FINANCIAL INSTRUMENTS...CONTINUED

(C) INTEREST RATE RISK

The Credit Union's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

	FIXED INTEREST RATE MATURING IN:															
Financial Instruments	Floating interest rate		0-3 Months		4-12 Months		Over 1 to 5 years		Over 5 years		Non-interest bearing		Total		Weighted average effective interest rate	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2017	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	%	%
FINANCIAL ASSETS																
Cash and liquid assets	5,301	6,274	-	-	-	-	-	-	-	-	219	209	5,520	6,483	0.82	1.18
Investments at amortised cost	-	-	3,982	3,976	2,101	2,103	7,018	7,029	-	-	-	-	13,101	13,101	2.44	2.67
Loans and advances	107,190	96,238	-	-	-	-	400	406	-	-	-	-	107,590	96,644	4.47	4.55
Receivables	-	-	49	52	-	-	-	-	-	-	355	400	404	453	N/A	N/A
TOTAL FINANCIAL ASSETS	112,491	102,512	4,031	4,028	2,101	2,103	7,418	7,435	-	-	574	609	126,615	116,681	-	-
FINANCIAL LIABILITIES																
Deposits	53,539	49,547	22,878	26,352	25,166	24,243	919	433	-	-	169	168	105,969	100,743	1.65	1.68
Due to other financial institutions	-	-	10,709	6,008	-	-	-	-	-	-	-	-	10,709	6,008	2.37	2.84
Trade creditors and accruals	-	-	-	-	-	-	-	-	-	-	1,197	1,440	1,197	1,440	N/A	N/A
TOTAL FINANCIAL LIABILITIES	53,539	49,547	33,587	32,360	25,166	24,243	919	433	-	-	1,366	1,608	117,875	108,191	-	-

25. MATURITY PROFILE OF FINANCIAL ASSETS AND LIABILITIES

Monetary assets and liabilities have differing maturity profiles depending on the contractual term, and in the case of loans the repayment amount and frequency. The table below shows the period in which different monetary assets and liabilities held will mature and be eligible for renegotiation or withdrawal. In the case of loans, the table shows the period over which the principal outstanding will be repaid based on the remaining period to the repayment date assuming contractual repayments are maintained, and is subject to change in the event that current repayment conditions are varied. Financial assets and liabilities are at the undiscounted values (including future interest expected to be earned or paid). Accordingly these values will not agree to the statement of financial position.

2019	**BOOK VALUE**	**UP TO 1 MONTH**	**1- 3 MONTHS**	**3-12 MONTHS**	**1- 5 YEARS**	**AFTER 5 YEARS**	**NO MATURITY**	**TOTAL CASH FLOWS**
FINANCIAL ASSETS	$	$	$	$	$	$	$	$
Cash	5,520,107	5,520,107	-	-	-	-	-	5,520,107
Liquid Investments	13,101,563	2,000,000	2,000,000	2,147,194	7,934,558	-	-	14,081,752
Loans & advances	107,516,635	817,153	1,720,111	8,323,478	33,716,412	122,019,136	-	166,596,290
Receivables	354,385	-	-	-	-	-	354,385	354,385
Total financial assets	126,492,689	8,337,260	3,720,111	10,470,672	41,650,970	122,019,136	354,385	186,552,534
FINANCIAL LIABILITIES								
Due to other financial institutions	10,709,821	9,015,620	1,709,571	-	-	-	-	10,725,191
Creditors	153,681	-	-	-	-	-	153,681	153,681
Deposits from members – at call	57,005,447	56,836,311	-	-	-	-	169,136	57,005,447
Deposits from members – term	48,963,953	10,487,487	12,678,870	25,496,483	932,819	-	-	49,595,659
Total financial liabilities	116,832,902	76,339,418	14,388,441	25,496,483	932,819	-	322,817	117,479,978

2018	**BOOK VALUE**	**UP TO 1 MONTH**	**1- 3 MONTHS**	**3-12 MONTHS**	**1- 5 YEARS**	**AFTER 5 YEARS**	**NO MATURITY**	**TOTAL CASH FLOWS**
FINANCIAL ASSETS	$	$	$	$	$	$	$	$
Cash	6,482,651	6,482,651	-	-	-	-	-	6,482,651
Liquid Investments	13,107,894	2,000,000	2,000,000	2,153,852	7,946,900	-	-	14,100,752
Loans & advances	96,625,347	739,622	1,571,561	6,877,302	30,875,806	116,159,465	-	156,223,756
Receivables	401,204	-	-	-	-	-	401,204	401,204
Total financial assets	116,617,096	9,222,273	3,571,561	9,031,154	38,822,706	116,159,465	401,204	177,208,363
FINANCIAL LIABILITIES								
Due to other financial institutions	6,007,744	4,010,150	2,012,855	-	-	-	-	6,023,005
Creditors	274,529	-	-	-	-	-	274,529	274,529
Deposits from members – at call	49,715,061	49,546,911	-	-	-	-	168,150	49,715,061
Deposits from members – term	51,028,163	15,745,983	10,965,584	24,578,481	438,153	-	-	51,728,201
Total financial liabilities	107,025,497	69,303,044	12,978,439	24,578,481	438,153	-	442,679	107,740,796

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES ...CONTINUED

The Board has endorsed a policy of compliance and risk management to suit the risk profile of the Credit Union. The Credit Union's risk management focuses on the major areas of market risk, credit risk and operational risk. Authority flows from the Board of Directors to the Board Audit Committee which are integral to the management of risk.

Board: This is the primary governing body. It approves the level of risk which the Credit Union is exposed to and the framework for reporting and mitigating those risks.

Board Audit Committee: Assists the Board by providing an objective non-executive review of the effectiveness of the Credit Union's financial reporting and internal controls. The Board Audit Committee receives internal audit reports on assessment and compliance with the controls.

Board Risk Committee: Assists the Board by providing an objective non-executive oversight of the implementation and operation of the Credit Union's risk management framework. The Board Risk Committee also considers and confirms that the significant risks are to be assessed within the internal audit plan.

Management: This group is responsible for implementing risk management policies and controls and liaising with the Board Audit Committee, Board Risk Committee and Internal Audit.

Internal Audit: Provides internal audit reports to the Board Audit Committee and has the responsibility for reviewing the operational function, testing and assessing controls. Key risk management policies encompassed in the overall risk management framework include:-

- Market risk
- Liquidity
- Credit risk management
- Operations risk management including data risk
- Management

The Credit Union has undertaken the following strategies to minimise the risks arising from financial instruments:-

A. MARKET RISK

The objective of the Credit Union's market risk management is to manage and control market risk exposures in order to optimise risk and return. Market risk is the risk that changes in interest rates, foreign exchange rates or other prices and volatilities will have an adverse effect on the Credit Union's financial condition or results. The Credit Union is not exposed to currency risk, and other price risk. Financial instruments held by the Credit Union are not traded. The Credit Union is exposed to interest rate risk arising from changes in market interest rates. Net interest rate gaps between assets and liabilities are maintained by offering variable interest rate products. Term deposits are the only fixed interest rate products the Credit Union offers on statement of financial position. The Credit Union manages its interest rate risk by the use of interest rate sensitivity analysis.

B. LIQUIDITY RISK

Liquidity risk is the risk that the Credit Union may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing, repayments or member withdrawal demands. It is the policy of the board of directors that treasury maintains adequate cash reserves and committed cash facilities so as to meet member withdrawal demands when requested.

The Credit Union manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows.
- Monitoring maturity profiles of financial assets and liabilities.
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities
- Monitoring the prudential liquidity ratio daily.

The Credit Union has a longstanding arrangement with the industry liquidity support scheme with Credit Union Financial Support Services (CUFSS) which can access industry funds to provide support to the Credit Union should it be necessary at short notice. The Credit Union is required to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 24 hours under the APRA Prudential Standards. The Credit Union policy is to apply 12% of funds as liquid assets to maintain adequate funds for meeting member withdrawal requests. The ratio is checked daily. Should the liquidity ratio fall below this level, the management and board are to address the matter and ensure that the liquid funds are obtained from new deposits and/or borrowing facilities available.

C. CREDIT RISK

Credit risk is the risk that members, financial institutions and other counterparties will be unable to meet their obligations to the Credit Union which may result in financial losses. Credit risk arises principally from the Credit Union's loan book and investment assets.

(I) CREDIT RISK – LOANS

The method of managing credit risk is by way of strict adherence to the credit assessment policies before a loan is approved and close monitoring of defaults in the repayment of loans thereafter on a weekly basis. The credit policy has been endorsed by the board to ensure that loans are only made to members that are creditworthy (capable of meeting loan repayments).

The Credit Union has established policies over the:

- Credit assessment and approval of loans and facilities covering acceptable risk assessment, security requirements;
- Limits of acceptable exposure over the value to individual borrowers considered at high risk of default;
- Reassessing and review of the credit exposures on loans and facilities;
- Establishing appropriate provisions to recognise the impairment of loans and facilities;
- Debt recovery procedures; and
- Review of compliance with the above policies;

A regular review of compliance is conducted as part of the internal audit scope.

PAST DUE AND IMPAIRED

A financial asset is past due when the counterparty has failed to make a payment when contractually due. As an example, a member enters into a lending agreement with the Credit Union that requires interest and a portion of the principle to be paid every month. On the first day of the next month, if the agreed repayment amount has not been paid, the loan is past due. Past due does not mean that a counterparty will never pay, but it can trigger various actions such as renegotiation, enforcement of covenants, or legal proceedings. Once the past due exceeds 90 days the loans is regarded as impaired, unless other factors indicate the impairment should be recognised sooner.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES ...CONTINUED

Daily reports monitor the loan repayments to detect delays in repayments and recovery action is undertaken after 7 days. For loans where repayments are doubtful, external consultants are engaged to conduct recovery action once the loans are over 90 days in arrears. The exposures to losses arise predominantly in the personal loans and facilities not secured by registered mortgages over real estate.

If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss, is recognised in the statement of comprehensive income.
Statement of financial position provisions are maintained at a level that management deems sufficient to absorb probable incurred losses in the Credit Union's loan portfolio from homogenous portfolios of assets and individually identified loans.

BAD DEBTS

Amounts are written off when collection of the loan or advance is considered to be remote. All write offs are on a case by case basis, taking account of the exposure at the date of the write off.
On secured loans, the write off takes place on ultimate realisation of collateral value, or from claims on any lenders mortgage insurance.

COLLATERAL SECURING LOANS

A sizeable portfolio of the loan book is secured on residential property in Australia. Therefore, the Credit Union is exposed to risks in the reduction the Loan to Value (LVR) cover should the property market be subject to a decline.
The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken.

CONCENTRATION RISK – INDIVIDUALS

Concentration risk is a measurement of the Credit Union's exposure to an individual counterparty (or group of related parties). If prudential limits are exceeded as a proportion of the Credit Union's regulatory capital (10%), a large exposure is considered to exist. No capital is required to be held against these but APRA must be informed. APRA may impose additional capital requirements if it considers the aggregate exposure to all loans over the 10% capital benchmark, to be higher than acceptable.
Concentration exposures to counterparties are closely monitored with annual reviews being prepared for all exposures over 5% of the capital base.
The Credit Union's policy on exposures of this size is to insist on an initial Loan to Valuation ratio (LVR) up to least 80% and bi-annual reviews of compliance with this policy are conducted.

CONCENTRATION RISK – INDUSTRY

The Credit Union has a concentration in retail lending for members who comprise employees and family of Woolworths Ltd. This concentration is considered acceptable on the basis that the Credit Union was formed to service these members, and the employment concentration is not exclusive. Should members leave Woolworths Ltd, the loans continue and other employment opportunities are available to the members to facilitate the repayment of the loans.

(II) CREDIT RISK – LIQUID INVESTMENTS

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Credit Union incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Credit Union.
There is a concentration of credit risk with respect to investment receivables with the placement of investments in CUSCAL. The credit policy is that investments are only made to institutions that are credit worthy. Directors have established policies that a maximum of 30% of total liabilities less capital can be invested with any one financial institution at a time, as long as they do not exceed 50% of the capital base as required by APRA prudential standard APS 221.

The risk of losses from the liquid investments undertaken is reduced by the nature and quality of the independent rating of the investment body and the limits to concentration on one financial institution.
Under the liquidity support scheme at least 3.1% of the total assets must be invested in the Credit Union's Austraclear account, to allow the scheme to have adequate resources to meet its obligations if needed.

EXTERNAL CREDIT ASSESSMENT FOR INSTITUTION INVESTMENTS

The Credit Union uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposure, where applicable, using the credit quality assessment scale in APRA Prudential Standard APS 112. The credit quality assessment scale within this standard has been complied with.

D. OPERATIONAL RISK

Operational risk is the risk of loss to the Credit Union resulting from deficiencies in processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks. Operational risks in the Credit Union relate mainly to those risk arising from a number of sources including legal compliance, business continuity, data infrastructure, outsourced services failures, fraud and employee errors.
The Credit Union's objective is to manage operational risk so as to balance the avoidance of financial losses through the implementation of controls, whilst avoiding procedures which inhibit innovation and creativity. These risks are managed through the implementation of polices and systems to monitor the likelihood of the events and minimise the impact. Systems of internal control are enhanced through:

- the segregation of duties between employee duties and functions, including approval and processing duties;
- documentation of the policies and procedures, employee job descriptions and responsibilities, to reduce the incidence of errors and inappropriate behavior;
- implementation of the whistleblowing policies to promote a compliant culture and awareness of the duty to report exceptions by staff;
- education of members to review their account statements and report exceptions to the Credit Union promptly;
- effective dispute resolution procedures to respond to member complaints;
- effective insurance arrangements to reduce the impact of losses; and
- contingency plans for dealing with the loss of functionality of systems or premises or staff.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES ...CONTINUED

FRAUD

Fraud can arise from member card PINS, and internet passwords being compromised where not protected adequately by the member. It can also arise from other systems failures. The Credit Union has systems in place which are considered to be robust enough to prevent any material fraud. However, in common with all retail banks, fraud is potentially a real cost to the Credit Union.

IT SYSTEMS

The worst case scenario would be the failure of the Credit Union's core banking and IT network suppliers, to meet customer obligations and service requirements. The Credit Union has outsourced the IT systems management to an Independent Data Processing Centre (IDPC) which is owned by a collection of credit unions. This organisation has the experience in-house to manage any short term problems and has a contingency plan to manage any related power or systems failures. Other network suppliers are engaged on behalf of the Credit Union by the industry body CUSCAL to service the settlements with other financial institutions for direct entry, ATM & Visa cards, and BPAY etc.

A full disaster recovery plan is in place to cover medium to long-term problems which is considered to mitigate the risk to an extent such that there is no need for any further capital to be allocated.

E. CAPITAL MANAGEMENT

The capital levels are prescribed by APRA. Under the APRA prudential standards capital is determined in three components:

- Credit risk
- Market risk (trading Book)
- Operations risk.

The market risk component is not required as the Credit Union is not engaged in a trading book for financial instruments.

CAPITAL RESOURCES

Tier 1 Capital

The vast majority of Tier 1 capital comprises retained earnings.

Tier 2 Capital

Tier 2 capital consists of capital instruments that combine the features of debt and equity in that they are structured as debt instruments, but exhibit some of the loss absorption and funding flexibility features of equity. There are a number of criteria that capital instruments must meet for inclusion in Tier 2 capital resources as set down by APRA.

Tier 2 capital generally comprises:

- Available for sale reserve which arises from the revaluation of financial instruments categorised as available for sale and reflects the net gains in the fair value of those assets in the year. This is included within upper Tier 2 capital.

- A subordinated loan remitted from the Credit Union's ultimate parent. The principal amount has been amortised on a straight line basis over the last 5 years to maturity of the loan in accordance with the requirements of APRA Prudential Standard APS 111.

- A general reserve for credit losses.

TIER 1 COMMON EQUITY	2019 - $	2018 - $
Retained earnings	8,959,085	8,753,352
Less prescribed deductions	-309,402	-218,529
NET TIER 1 COMMON EQUITY	8,649,683	8,534,823
TIER 1 ADDITIONAL EQUITY	-	-
NET TIER 1 CAPITAL	8,649,683	8,534,823

TIER 2		
Reserve for credit losses	292,168	261,351
Less prescribed deductions	-	-
NET TIER 2 CAPITAL	292,168	261,351
TOTAL CAPITAL	8,941,851	8,796,174

The risk weights attached to each asset are based on the weights prescribed by APRA in its Prudential Standard APS 112. The general rules apply the risk weights according to the level of underlying security.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...CONTINUED

	RISK WEIGHTING	CARRYING VALUE	RISK WEIGHTED VALUE	CARRYING VALUE	RISK WEIGHTED VALUE
		2019 - $	*2019 - $*	*2018 - $*	*2018 - $*
Cash	0%	**219,825**	**-**	208,763	-
Deposits in highly rated ADI's	20%	**5,306,920**	**1,061,384**	6,284,207	1,256,842
Deposits in less highly rated ADI's	50%	**2,101,042**	**1,050,521**	2,102,528	1,051,264
Negotiable certificates of deposit	20%	**3,992,442**	**798,488**	3,987,922	797,584
Bonds	20%	**5,037,654**	**1,007,531**	5,045,574	1,009,115
Bonds	50%	**2,012,976**	**1,006,488**	2,013,302	1,006,651
Standard loans secured against eligible residential mortgages up to 80% LVR, no mortgage insurance	35%	**85,334,024**	**29,866,909**	76,610,207	26,813,572
Standard Loans secured against eligible residential mortgages up to 90% LVR, with mortgage insurance	35%	**5,624,453**	**1,968,558**	8,586,856	3,005,400
Standard Loans secured against eligible residential mortgages greater than 90% LVR, with mortgage insurance	50%	**7,354,492**	**3,677,246**	3,550,448	1,775,224
Other assets	100%	**9,857,680**	**9,857,680**	8,682,943	8,682,943
TOTAL		126,841,508	50,294,805	117,072,750	45,398,595

The capital ratio as at the end of the financial year over the past 2 years is as follows

2019	*2018*
15.03%	16.24%

The level of capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets. To manage the Credit Union's capital the Credit Union reviews the ratio monthly and monitors major movements in the asset levels. Policies have been implemented to require reporting to the board and the regulator if the capital ratio falls below a minimum level determined by the Credit Union's Internal Capital Adequacy Assessment Process (ICAAP).

Further a 2 year capital budget projection of the capital levels is maintained annually to address how strategic decisions or trends may impact on the capital level.

Pillar 2 Capital on Operational risk

This capital component was introduced as from the 1 January 2008 and coincided with changes in the asset risk weightings for specified loans and liquid investments. Previously no operational charge was prescribed. The Credit Union uses the Standardised approach which is considered to be most suitable for its business given the small number of distinct transaction streams. The Operational Risk Capital Requirement is calculated by mapping the Credit Union's three year average net interest income and net non-interest income to the Credit Union's various business lines.

Based on this approach, the Credit Union's operational risk requirement is as follows:

- Operational risk capital $7,730,280 (2018 $7,323,009)

It is considered that the Standardised approach accurately reflects the Credit Union's operational risk

Internal capital adequacy management

The Credit Union manages its internal capital levels for both current and future activities through the Audit Committee. The outputs are reviewed by the board in its capacity as the primary governing body. The capital required for any change in the Credit Union's forecasts for asset growth, or unforeseen circumstances, are assessed by the board. The finance department then updates the forecast capital resources models and the impact upon the overall capital position of the Credit Union is reassessed. In relation to the operational risks, the major measurements for additional capital is strategic risk, which concerns the risk to the viability of the Credit Union from unexpected adverse changes in the business environment.

27. CORPORATE INFORMATION

The Credit Union is a public company limited by shares, and is registered under the Corporations Act 2001.
The address of the registered office is:
522 – 550 Wellington Road, Mulgrave VIC 3170
The address of the principal place of business is:
522 – 550 Wellington Road, Mulgrave VIC 3170
The nature of the operations and its principal activities are the provision of deposit taking facilities and loan facilities to the members of the Credit Union.

NOTES

NOTES

Woolworths Employees' Credit Union

522-550 Wellington Road,
Mulgrave VIC 3170

1 Woolworths Way,
Bella Vista, NSW 2153

Phone: 1300 665 553
Website: www.wecu.com.au

wecu
Woolworths Employees' Credit Union
good value, good sense banking