



2015

Annual Report

**WARWICK**  
CREDIT UNION  
competitive community banking

# Competitive Community Banking

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# Board of Directors

## Alan Olsen – Chair

Alan owns and operates a retail hardware business in Warwick. Alan has strong business acumen and holds a Bachelor of Business degree, is a CPA and a graduate of the Australian Institute of Company Directors.

## Ross Fraser – Deputy

Ross is the Managing Director of a Warwick based national livestock transport business. Ross has held several national positions in the transport industry.

## Nicholas Gardner

Nick is an experienced businessman with over 36 years involvement in international agri business management, including high level industry representation. He has held interest and directorships in several local businesses.

## David Thomson

David owns and operates a veterinary clinic based in Killarney which services the surrounding district, including across the border into New South Wales. David is actively involved in the community and holds a Diploma of Financial Services.

## Pauline Pickering

Pauline is the director of a Warwick based accounting firm. Born and educated locally, Pauline has significant community involvements. She is a member of the CPA Australia, Queensland Public Practice Committee which represents and advocates for accountants in public practice across the state.

## James Lindsay

A skilled accountant with more than 25 years in the finance sector, Jim holds a Bachelor of Business and a Masters of Business Administration.

# Chairman & CEO's Report

Steady margins and costs combined with sound growth in loan and savings volumes all contributed to increased profit before tax by \$447,278 to \$1,122,715. The outcome underlines the importance of valuing customer support and recognising staff effort across all areas of the Credit Union.

Over the year the Credit Union funded \$43,049,098 of loans, an increase of \$2,556,578 over last financial year. After allowing for customer repayments, loans increased by \$15,305,240 (8.25%) to \$200,821,572.

**Loans increased  
by \$15,305,240 (8.25%)  
to \$200,821,572**

Passing the \$200,000,000 mark in lending balances is an achievement of which our customers who also are owners may be very proud. Demand for loans was spread across the different segments of the market with customers taking advantage of low interest rates to invest in housing, investment, commercial and personal assets. It was a very positive sign of regional resilience to see growth in all the Credit Union's areas – Warwick and district including Allora and Killarney together with Inglewood and Dalby.

Strong loans growth was the main contributor to the increase in total assets of \$17,502,284 (7.93%) to \$238,287,775, up from the previous year's balance of \$220,785,491.

To facilitate this growth, deposits grew \$15,292,364 (7.89%) to \$209,180,111 and overall liabilities increased by \$16,804,512 (8.27%) to \$220,094,368. Customers continue to have a competitive range of savings products including everyday Choice and Pensioner Choice Accounts, Cash Manager, Term Deposits and specialised facilities.

Recognising the importance of transaction banking in being a competitive financial institution, the Credit Union continued development of a new core banking system.

# Chairman & CEO's Report continued

As implementation takes place across the first half of the 2016 financial year customers will gain access to a range of advanced ways to access funds and manage their finances. This is an exciting time to be moving ahead in an area where advances in technology are enabling far more convenient and flexible financial management.

The year saw the Reserve Bank (RBA) reduce the official cash rate in February and May by 25 basis points on each occasion. This coupled with competitor pressures caused interest income to decrease by \$196,011 to \$11,941,875 (1.61%). Offsetting this, a falling cost of funds caused interest expense to fall by \$448,831 to \$6,270,510 (6.68%). While remaining very competitive for our customer deposits these activities saw net income increase by \$252,820 (4.67%). These results allowed the Credit Union to put aside prudent amounts for future costs while continuing to maximise local investment in the community and in better products and services.

**Our goal is to be easy to do business with** To achieve these results the Credit Union thanks all of our customers, partners, suppliers and staff. Our goal is to be easy to do business with across all areas of the organisation to ensure all of our stakeholders share in the benefits of having a local Credit Union.



Alan Olsen  
CHAIR



Lewis von Stieglitz  
CEO

# Directors' Report

## Information on Warwick Credit Union Limited Concise Financial Statements

The information contained in the concise financial statements has been derived from the full 2015 Financial Statements of Warwick Credit Union Limited. Discussion and analysis is provided to assist members in understanding the concise financial statements.

A copy of the full financial statements and auditor's report will be sent to any member, free of charge, upon request.

Your Directors present their report on the affairs of the Credit Union for the financial year ended 30 June 2015.

The Credit Union is a company registered under the Corporations Act 2001.

## Information On Directors

The names of the directors in office at any time during or since the end of the year are:

**Name:** Mr Alan Frank Olsen

**Position:** Chairman

**Qualifications:** B.Bus (Acc), CPA, JP (QUAL), GAICD, FAMI

**Experience:** Director for 27 years

**Responsibilities:** Ex officio on all Board Committees, Remuneration Committee Member.

**Name:** Mr James Michael Lindsay

**Position:** Director

**Qualifications:** B Bus (Acc and Local Government), M Bus Admin, CPA, C Dec, GAICD, MAMI

**Experience:** Director for 8 years

**Responsibilities:** Audit Committee Chair, Risk Committee Member

**Name:** Mr Ross Charles Fraser

**Position:** Director

**Qualifications:** MAMI

**Experience:** Director for 8 years

**Responsibilities:** Deputy Chair, Nominations Committee Member, Remuneration Committee Member.

**Name:** Ms Pauline Theresa Pickering

**Position:** Director

**Qualifications:** B.Bus (Acc), CPA, MAMI

**Experience:** Director for 8 years

**Responsibilities:** Nominations Committee Chair, Audit Committee and Risk Committee Member.

**Name:** Mr Nicholas David Gardner

**Position:** Director

**Qualifications:** Dip Agricultural Merchandising (UK), MAMI

**Experience:** Director for 8 years

**Responsibilities:** Remuneration Committee Chair

**Name:** Mr David Andrew Thomson

**Position:** Director.

**Qualifications:** B.V Sc, MAICD, CMAVA, MAMI, Dip of Financial Services

**Experience:** Director for 8 years

**Responsibilities:** Risk Committee Chair, Nominations Committee Member, Audit Committee Member.

The name of the Company Secretary in office at the end of the year is:

**Name:** Mr Lewis von Stieglitz

**Qualifications:** Master of Business Administration, Bachelor of Arts (Honours)

**Experience:** Chief Executive Officer/Company Secretary of Warwick Credit Union.

All directors have held their office from 1 July 2014 to the date of this report unless otherwise stated.

## Directors' Meeting Attendance

Name	Board Meetings		Nominations Committee		Audit & Risk Committee		Remuneration Committee		Audit Committee		Risk Committee	
	E	A	E	A	E	A	E	A	E	A	E	A
A Olsen*	12	12	1	1	2	2	1	1	2	2	2	2
J Lindsay	12	11	0	0	2	2	0	0	2	2	2	2
R Fraser	12	11	1	1	0	0	1	1	0	1	0	1
N Gardner	12	10	0	0	0	1	1	1	0	1	0	1
P Pickering	12	11	1	1	2	2	0	0	2	2	2	2
D Thomson	12	11	1	1	2	2	1	1	2	2	2	2

\* Mr Olsen is an ex officio member not an appointed member of the Audit and Risk Committee.

E = Eligible to Attend  
A = Attended

## **Insurance and Indemnification of Officers or Auditor**

Insurance premiums have been paid to insure each of the Directors and officers of the Credit Union, against any costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in their capacity as an officer of the Credit Union.

In accordance with normal commercial practice disclosure of the premium amount and the nature of the insured liabilities is prohibited by a confidentiality clause in the contract.

No insurance cover has been provided for the benefit of the auditor of the Credit Union.

No indemnities have been given to the officers or auditor.

## **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 as prescribed by the Constitution.

No significant changes in the nature of these activities occurred during the year.

## **Operating Results**

The net profit of the Credit Union for the year after providing for income tax was \$795,775 (2014: \$481,696).

## **Dividends**

Dividends totalling \$98,003 (2014: \$99,367) were declared and paid on 25,000 redeemable preference shares. The payments of dividends during the financial year were approved by a resolution of the Directors.

## **Share Options**

No options over unissued shares or interests in the Credit Union were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No shares have been issued as a result of the exercise of an option.

## **Review Of Operations**

The results of the Credit Union's operations from its activities of providing competitive community banking services did not change significantly from those of the previous year.

In a tight economic and competitive environment net profit after tax was \$795,775. Net interest margin increased by \$252,820 reflecting stability of margins with the Credit Union balancing the value it can provide to members through both competitive lending and deposit rates. Loans increased by a sound \$15,305,240 (8.25%). Strong saving by members increased savings and investment balances by \$15,292,364 (7.89%).

Expenses fell \$187,946 (3.00%) with particular reductions in provision for bad and doubtful debts of \$145,339 (55.70%) together with savings from employee benefits of \$85,601 (3.05%).

The Credit Union continues working on implementing a new banking system to replace the current dated system. Work is expected to be completed with the expected go live date in first half of the financial year.

## **Significant Changes In State Of Affairs**

Apart from disclosures elsewhere in this report, there were no significant changes in the state of affairs of the Credit Union during the year.

## **Events Subsequent to the End of the Reporting Period**

No other matters or circumstances have arisen since the end of the reporting period which have significantly affected or may significantly affect the operations, the results of those operations, or the state of affairs of the Credit Union in subsequent financial years.



### **Likely Developments and Results**

The Credit Union will continue to implement its Strategic Plan. The Credit Union will continue to provide financial services, including an increasing range of savings and lending products to its customers through its network of branches, predominantly throughout South East Queensland.

Looking forward, the Credit Union still faces a challenging market, given its size and position. In response, the Credit Union remains focused on improving its current business through initiatives to both increase revenues and improve efficiencies.

Further information on likely developments in the operations of the Credit Union and the expected results of operations have not been included in these financial statements because the Directors consider that it would be likely to result in unreasonable prejudice to the Credit Union.

### **Regulatory Disclosures**

The qualitative and quantitative disclosures on capital and remuneration as required by APS 330 Public Disclosures can be seen on the website of the credit union. ([www.wcu.com.au/about-us-publications.html](http://www.wcu.com.au/about-us-publications.html))

### **Proceedings**

No person has applied for leave of the Court to bring proceedings on behalf of the Credit Union or interfere in any proceedings to which the Credit Union is a party for the purpose of taking responsibility on behalf of the Credit Union for all or part of those proceedings. The Credit Union was not a party to any such proceedings during the year.

### **Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2015 as required under s307c of the Corporations Act forms part of this

report and a copy of this declaration is attached.

### **Environmental Regulation**

The Credit Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Signed for and on behalf of the directors in accordance with a resolution of the Board.



Alan F Olsen  
CHAIRMAN



Ross C Fraser  
DEPUTY CHAIRMAN

Dated this 24th day of August 2015

**DECLARATION OF INDEPENDENCE BY P A GALLAGHER TO THE DIRECTORS OF WARWICK CREDIT UNION LIMITED**

As lead auditor of Warwick Credit Union Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



P A Gallagher  
Director

**BDO Audit Pty Ltd**

**Brisbane, 24 August 2015**

# Statement of Comprehensive Income

WARWICK CREDIT UNION LIMITED  
A.B.N. 98 087 651 116  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Interest income	2	11,941,875	12,137,886
Interest expense	2	(6,270,510)	(6,719,341)
Net interest income		<u>5,671,365</u>	<u>5,418,545</u>
Non-interest revenue and other income	3	1,517,665	1,511,153
Impairment expense on loans and advances		(115,592)	(260,931)
Employee benefits expense		(2,723,286)	(2,808,887)
Occupancy expense		(333,112)	(331,677)
Depreciation and amortisation expense		(271,224)	(280,521)
Other expenses		(2,623,101)	(2,572,245)
Profit before income tax		<u>1,122,715</u>	<u>675,437</u>
Income tax expense		(326,940)	(193,741)
Profit for the year		<u>795,775</u>	<u>481,696</u>
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		<u><u>795,775</u></u>	<u><u>481,696</u></u>

The accompanying notes should be read in conjunction with these financial statements.

# Statement of Financial Position

WARWICK CREDIT UNION LIMITED  
A.B.N. 98 087 651 116  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
Cash and cash equivalents		6,816,378	6,837,684
Financial assets available for sale		387,480	365,700
Other receivables		133,530	185,583
Financial assets held-to-maturity		25,902,201	23,878,773
Loans and advances		200,821,572	185,516,332
Investment property		587,634	604,554
Property, plant and equipment		2,086,586	2,243,520
Deferred tax assets		460,217	468,223
Intangible assets		911,987	534,372
Other assets		180,190	150,750
<b>TOTAL ASSETS</b>		<b><u>238,287,775</u></b>	<b><u>220,785,491</u></b>
<b>LIABILITIES</b>			
Borrowings		6,041,166	4,513,772
Deposits		209,180,111	193,887,747
Other payables		660,957	666,572
Income tax payable		13,870	90,809
Provisions		247,627	200,539
Subordinated debt		3,950,637	3,930,417
<b>TOTAL LIABILITIES</b>		<b><u>220,094,368</u></b>	<b><u>203,289,856</u></b>
<b>NET ASSETS</b>		<b><u>18,193,407</u></b>	<b><u>17,495,635</u></b>
<b>EQUITY</b>			
Tier 1 redeemable preference shares		2,443,300	2,443,300
Redeemed preference share capital		111,740	106,679
Reserve for credit losses		685,242	560,672
Retained earnings		14,953,125	14,384,984
<b>TOTAL EQUITY</b>		<b><u>18,193,407</u></b>	<b><u>17,495,635</u></b>

The accompanying notes should be read in conjunction with these financial statements.

# Statement of Changes in Equity

WARWICK CREDIT UNION LIMITED  
A.B.N. 98 087 651 116  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Tier 1 Red Pref Share Issue	Red Pref Share Capital	Reserve for Credit Losses	Retained Earnings	Total
		\$	\$	\$	\$	\$
Balance at 30 June 2013		2,443,300	101,569	625,936	13,942,501	17,113,306
<b>Total comprehensive income for the year</b>						
Profit for the year		-	-	-	481,696	481,696
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	481,696	481,696
<b>Transfers</b>						
Transfers to and from reserve for credit losses		-	-	(65,264)	65,264	-
Transfers to redeemed preference share capital		-	5,110	-	(5,110)	-
Total transfers		-	5,110	(65,264)	60,154	-
Dividends paid		-	-	-	(99,367)	(99,367)
Balance at 30 June 2014		2,443,300	106,679	560,672	14,384,984	17,495,635
<b>Total comprehensive income for the year</b>						
Profit for the year		-	-	-	795,775	795,775
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	795,775	795,775
<b>Transfers</b>						
Transfers to and from reserve for credit losses		-	-	124,570	(124,570)	-
Transfers to redeemed preference share capital		-	5,061	-	(5,061)	-
Total transfers		-	5,061	124,570	(129,631)	-
Dividends paid		-	-	-	(98,003)	(98,003)
Balance at 30 June 2015		2,443,300	111,740	685,242	14,953,125	18,193,407

The accompanying notes should be read in conjunction with these financial statements.

# Statement of Cash Flows

WARWICK CREDIT UNION LIMITED  
A.B.N. 98 087 651 116  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		11,994,807	12,113,632
Dividends received	3	43,884	43,884
Other income received		96,958	122,163
Fees and commissions received		1,402,560	1,411,657
Interest paid		(6,163,955)	(6,840,741)
Payments to suppliers and employees		(5,647,911)	(5,600,447)
Income taxes paid		(395,874)	(254,469)
Net movement in financial assets held-to-maturity		(2,023,428)	4,526,525
Net movement in loans and advances		(15,446,508)	(7,840,799)
Net movement in deposits		15,213,203	5,198,744
Net payments to borrowings		1,500,000	(2,750,000)
 Net cash provided by operating activities		573,736	130,149
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment, investment property and intangible assets		(475,259)	(320,714)
Proceeds from sale of property, plant and equipment		-	1,586
Share acquisitions		(21,780)	-
 Net cash provided by / (used in) investing activities		(497,039)	(319,128)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(98,003)	(99,368)
 Net cash provided by / (used in) financing activities		(98,003)	(99,368)
 Net increase/(decrease) in cash and cash equivalents		(21,306)	(288,347)
 Cash and cash equivalents at the beginning of the financial year		6,837,684	7,126,031
 Cash and cash equivalents at the end of the financial year		6,816,378	6,837,684

The accompanying notes should be read in conjunction with these financial statements.

# Notes to the Concise Financial Report

WARWICK CREDIT UNION LIMITED  
A.B.N. 98 087 651 116  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The concise financial statements are extracted from the full financial statements for the year ended 30 June 2015. The concise financial statements have been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001.

The concise financial statements are presented in Australian Dollars.

The financial statements, specific disclosures and other information included in the concise financial statements are derived from and are consistent with the full financial statements of Warwick Credit Union Limited. The concise financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Warwick Credit Union Limited as the full financial statements.

The full financial statements of the Credit Union as an individual entity comply with all International Financial Reporting Standards (IFRS) in their entirety.

A copy of the full financial statement and auditors report will be sent to any member, free of charge, upon request.

	2015 \$	2014 \$
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## NOTE 2: INTEREST INCOME AND INTEREST EXPENSE

### (a) Interest Income

#### **(i) Assets carried at amortised cost**

Cash and cash equivalents	67,506	53,605
Financial assets held-to-maturity	837,091	924,342
Loans and advances	11,030,441	11,152,907
Other interest income	6,837	7,032
<b>Total Interest Income on Assets at Amortised Cost</b>	<b>11,941,875</b>	<b>12,137,886</b>

#### **(ii) Assets at cost**

Financial assets available for sale	-	-
<b>Total Interest Income on Assets Carried at Cost</b>	<b>-</b>	<b>-</b>
<b>Total Interest Income</b>	<b>11,941,875</b>	<b>12,137,886</b>

### (b) Interest Expense on Liabilities at Amortised Cost

Short term borrowings	138,291	270,640
Deposits	5,790,612	6,103,975
Subordinated debt	341,607	344,726
<b>Total Interest Expense on Liabilities Carried at Amortised Cost</b>	<b>6,270,510</b>	<b>6,719,341</b>

	2015 \$	2014 \$
NOTE 3: NON INTEREST REVENUE AND OTHER INCOME		
Non-Interest Income		
Dividends received (financial assets available for sale)	43,884	43,884
Fees and commissions		
- Deposits	292,987	294,325
- Other (exc loan origination fees)	1,062,289	1,051,974
Bad debts recovered	6,814	9,359
Gain on disposal of property, plant and equipment	-	9
Rental income from investment property	80,000	80,000
Other Income	31,691	31,602
Total Non-Interest Revenue and Other Income	<u>1,517,665</u>	<u>1,511,153</u>

## NOTE 4: EVENTS SUBSEQUENT TO THE END OF THE REPORTING DATE

There are no significant events subsequent to the end of the reporting date which significantly affected or may significantly affect the operations, or state of affairs of the Credit Union in the subsequent financial year.

## NOTE 5: DIVIDENDS

Fully franked redeemable preference dividend of 100.48 cents per share paid on 28 September 2014 franked at the tax rate of 30% (2014: fully franked redeemable preference dividend of 102.51 cents per share paid on 28 September 2013 at the tax rate of 30%).	25,120	25,627
Fully franked redeemable preference dividend of 101.1 cents per share paid on 30 December 2014 franked at the tax rate of 30% (2014: fully franked redeemable preference dividend of 98.57 cents per share paid on 28 December 2013 at the tax rate of 30%).	25,275	24,642
Fully franked redeemable preference dividend of 99.42 cents per share paid on 30 March 2015 franked at the tax rate of 30% (2014: fully franked redeemable preference dividend of 97.18 cents per share paid on 28 March 2014 at the tax rate of 30%).	24,855	24,295
Fully franked redeemable preference dividend of 91.01 cents per share paid on 30 June 2015 franked at the tax rate of 30% (2014: fully franked redeemable preference dividend of 99.21 cents per share paid on 26 June 2014 at the tax rate of 30%).	22,753	24,803
	<u>98,003</u>	<u>99,367</u>
Total Dividends per share for the period	<u>392.01¢</u>	<u>397.47¢</u>



# Notes to the Concise Financial Report & Directors Declaration

## NOTE 6: DISCUSSION AND ANALYSIS

Loans and advances increased by \$15,305,240 (8.25%) to \$200,821,572. To facilitate this deposits grew \$15,292,364 (7.89%) to \$209,180,111.

Strong loans growth was the main contributor to the increase in total assets of \$17,502,284 (7.93%) to \$238,287,775, up from the previous year's balance of \$220,785,491. Liabilities increased by \$16,804,512 (8.27%) to \$220,094,368.

Wholesale borrowings increased \$1,527,394 (33.84%), with Financial Assets held to Maturity increasing \$2,023,428 (8.47%).

The year saw the Reserve Bank (RBA) reduce the official cash rate in February and May by 25 basis points on each occasion. This coupled with competitor pressures caused interest income to decrease by \$196,011 to \$11,941,875 (1.61%). Pricing on the deposits side on the portfolio also allowed repricing of savings and term deposit rates. This has seen interest expense decrease by \$448,831 to \$6,270,510 (6.68%). Net margin increased by \$252,820 (4.67%).

The Credit Union has continued to work on implementing a new banking engine. Work is expected to be completed in the first half of the 2016 financial year. The new system will replace a dated one and will assist improve customer service and back office processes.

Expenses remained within budget, with a decrease of \$187,946 reflecting lower provisioning for impairment on loans and advances along with lower staffing costs.

## DECLARATION BY DIRECTORS

The Directors of Warwick Credit Union Limited declare that the Concise Financial Statements of Warwick Credit Union Limited for the financial year ended 30 June 2015, being Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Concise Financial Statements;

- comply with Accounting Standard AASB 1039: Concise Financial Reports, and
- is an extract from, that has been derived from and is consistent with the full financial statements of Warwick Credit Union Limited for the year ended 30 June 2015.

This declaration is made in accordance with a resolution of the Board.



Alan F Olsen  
CHAIRMAN



Ross C Fraser  
DEPUTY CHAIRMAN

Dated this 24th day of August 2015

## INDEPENDENT AUDITOR'S REPORT

To the members of Warwick Credit Union Limited

### Report on the Financial Report

We have audited the accompanying concise financial report of Warwick Credit Union Limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and related notes, derived from the audited financial report of Warwick Credit Union Limited for the year ended 30 June 2015 and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

### Directors' Responsibility for the Concise Financial Report

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001, and for such internal control as directors determine are necessary to enable the preparation of the concise financial report.

### Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Warwick Credit Union Limited for the year ended 30 June 2015. We expressed an unmodified opinion on that financial report in our report dated 24 August 2015. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the concise financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Our procedures include testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis and whether the discussion and analysis complies with the requirements laid down in AASB 1039 Concise Financial Reports.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Warwick Credit Union Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### Opinion

In our opinion, the concise financial report including the discussion and analysis of Warwick Credit Union Limited for the year ending 30 June 2015 complies with Accounting Standard AASB 1039 Concise Financial Reports.

BDO Audit Pty Ltd



P A Gallagher  
Director

Brisbane, 24 August 2015



## Credit Union Prayer

Lord, make me an instrument of your peace;  
Where there is hatred, let me show you love;  
Where there is injury, pardon;  
Where there is doubt, faith;  
Where there is despair, hope;  
Where there is darkness, light;  
And where there is sadness, joy.

O divine master, grant that I may not so  
much seek to be consoled, as to console;  
To be loved, as to love;  
For it is in pardoning that we are pardoned,  
and it is in dying that we are born into eternal life.

Amen