

**CREDIT UNION
FINANCIAL SUPPORT
SYSTEM LIMITED**

ABN 24 088 097 563

FINANCIAL REPORT

**FOR THE
YEAR ENDED
30 JUNE 2006**

CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED

CONTENTS

PAGE NO.

Directors Report	1
Information on Directors	3
Independent Audit Report	6
Directors Declaration	9
Income Statement	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Financial Statements	14

CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED DIRECTORS REPORT

The Directors of Credit Union Financial Support System Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2006. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The following persons were Directors of the company during the whole of the financial year and up to the date of this report:

F E Martin (Chairman)
P E Doughty
J H Prescott
D J Heine
B A Williams (Appointed 21.11.05)
P T Evers (Resigned 21.11.05)

For information on Directors regarding their qualifications, experience, responsibilities, directorships in other entities, declared interests, and meeting attendances refer to pages 3 to 5 which are to be read as part of this report.

Principal Activity

The company's principal activity is the provision of financial support services for the benefit of Australian Credit Unions and their members.

During the year there were no significant changes in the nature of those activities.

Review of Operations

The profit from ordinary activities after income tax expense of the company for the year ended 30 June 2006 was \$1,196 (2005: \$3,937).

The Directors believe that the results are in line with expectations.

Dividends

No dividend has been declared or paid for the year ended 30 June 2006.

The Directors do not recommend a dividend in respect of the current financial year (2005: \$NIL).

Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the consolidated entity in future years.

Future Developments

There are no known future developments that will have a material effect on the Company's business or performance other than the potential for changes to the Industry Support Contract following the implementation of changes to the Cuscal Constitution approved by its shareholders on the 7th September 2006.

CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED
DIRECTORS REPORT (continued)

Indemnification of Officers

The company has agreed to indemnify the following current Directors of the company: F E Martin, P E Doughty, J H Prescott, D J Heine, B A Williams and the former Director P T Evers, the Company Secretary and all Executive Officers of the company and any related party against a liability that may arise from their positions within the company to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability indemnified.

The company paid premiums in respect to directors and officers liability insurance during the financial year. The contract of insurance does not include details of premiums paid in respect of individual officers of the company and prohibits disclosure of the amount of the premium paid.

The company has not otherwise during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company, or a related entity, against a liability incurred in their capacity as an officer or auditor.

Signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

Independence Declaration

The auditors independence declaration for the year ended 30 June 2006 has been received and can be found on page 6 of the financial report.

On behalf of the Directors.

.....
F E Martin

.....
P E Doughty

Dated this day of 2006

**CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED
INFORMATION ON DIRECTORS**

FRANK EDWARD MARTIN

Aged 69

Appointed to the Board: 8 September 1999

Experience

Former Chairman – Queensland Office of Financial Supervision
Former Director & General Manager - Suncorp Building Society
Limited

- Suncorp Finance Limited
- Medical and Commercial Finance Limited

Former General Manager – Motel Corporation Australia Limited
Former President – Queensland Association of Permanent Building Societies Limited
Former State President – Mortgage Industry Association of Australia
Former Councillor – Enterprise Australia
Former Member of Advisory Board – Centre for Australian Financial Institutions

Special Responsibilities

Chairman

Other Declared Interests

Director – MBF Australia Limited group of Companies.
Member of Audit Committee and Life Member – Australian Institute of Management (Queensland Division)
Chairman – Anglican Diocese of Brisbane – Anglican Community Services Commission
Director – Everhard Industries Pty Ltd
Director – Sibad Investments Pty Ltd

Number of Meetings Attended

7 out of 7

PHYLIP EDWARD DOUGHTY

Aged 55

Appointed to the Board: 16 June 1999

Experience

Chief Executive Officer and Director, mecu Limited
33 years management experience in the Australian Finance Industry

Special Responsibilities

Deputy Chairman

Other Declared Interests

Director mecu Limited
Director (Alternate) Data Action Pty Ltd
Director Edcredit Services Pty Ltd
Director Edcredit Insurance Services Pty Ltd

Number of Meetings Attended

7 out of 7

CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED
INFORMATION ON DIRECTORS (continued)

PETER TORSTEN EVERS

Aged 50

Appointed to the Board: 16 June 1999

Resigned from the board 21 November 2005

Experience

Executive in credit union movement 17 years

Chief Executive, Australian Central Credit Union Limited

25 years management experience in finance industry

Special Responsibilities

None

Other Declared Interests

Director, CU Technology Developments Pty Ltd

Managing Director, Australian Central Credit Union Limited

Number of Meetings Attended

2 out of 2

JOHN HENDERSON PRESCOTT

Aged 65

Appointed to the Board: 16 June 1999

Experience

35 years experience in credit unions at local, state and national levels

Special Responsibilities

None

Other Declared Interests

None

Number of Meetings Attended

7 out of 7

DAVID JOHN HEINE

Aged 35

Appointed to the Board: 6 August 2003

Experience

General Manager, Risk Management CUSCAL

9 years experience in the CU Industry

15 years experience in Treasury and Risk Management

Special Responsibilities

None

Other Declared Interests

None

Number of Meetings Attended

6 out of 7

BRUCE ASTON WILLIAMS

Aged 51

Appointed to the Board: 21st November 2005

Experience

CEO of The Police Employees CU Ltd

33 years experience in banking and finance including 16 years employment with The Police Employees CU Ltd

Special Responsibilities

None

Other Declared Interests

Director - Chelsea Wealth Management Pty Ltd

Number of Meetings Attended

4 out of 5

EXECUTIVE OFFICER INFORMATION FOR ANNUAL REPORT

DESMOND THOMAS HUGHES

Aged 61

Appointed to the Role: 1st June 2003

Experience

38 years experience in banking and finance including 20 years management experience within the Credit Union Movement

Special Responsibilities

None

Other Declared Interests

None

Number of Meetings Attended

7 out of 7

DELOITTE Letterhead

Independent Audit Report to the members of Credit Union Financial Support System Ltd

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**CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED
DIRECTORS' DECLARATION**

The Directors declare that:

- a) 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;
- b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of the Directors made pursuant to s 295 (5) of the Corporations Act 2001

.....
F E Martin

.....
P E Doughty

Dated this day of 2006

CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED
ABN 24 088 097 563
INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2006

	Note	Year Ended 30 June 2006 \$	Year Ended 30 June 2005 \$
Revenue	3	379,351	368,107
Employee Benefits Expenses	4	(153,900)	(132,341)
Auditors Remuneration	7	(4,500)	(4,320)
Directors Fees	4	(111,295)	(107,065)
Accountancy Fees		(6,515)	(3,770)
Occupancy Expenses		(12,500)	(18,000)
Shared Services		(25,000)	(19,000)
Other Expenses		(63,889)	(77,538)
Profit Before Income Tax Expense		1,752	6,073
Income Tax Expense	5	556	2,136
Profit for the period		1,196	3,937
Dividends per Share (cents)		-	-

Notes to the financial statements are included on pages 14 to 22.

CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED
ABN 24 088 097 563
BALANCE SHEET AS AT 30 JUNE 2006

	Note	30 June 2006 \$	30 June 2005 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	2, 8	46,856	47,650
Trade and Other Receivables	9	16,346	20,488
Other Assets	10	5,584	9,989
TOTAL CURRENT ASSETS		68,786	78,127
NON-CURRENT ASSETS			
Deferred Tax Assets	11	3,394	4,161
TOTAL NON-CURRENT ASSETS		3,394	4,161
TOTAL ASSETS		72,180	82,288
CURRENT LIABILITIES			
Trade and Other Payables	12	14,011	15,484
Borrowings	2, 8	11,548	20,068
Current Tax Liabilities	13	1,111	-
Provisions	14	3,705	4,805
TOTAL CURRENT LIABILITIES		30,375	40,357
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	15	1,675	2,997
TOTAL NON-CURRENT LIABILITIES		1,675	2,997
TOTAL LIABILITIES		32,050	43,354
NET ASSETS		40,130	38,934
SHAREHOLDERS' EQUITY			
Issued Capital	16	-	-
Retained Earnings	17	40,130	38,934
TOTAL EQUITY		40,130	38,934

Notes to the financial statements are included on pages 14 to 22.

CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED
ABN 24 088 097 563
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	Note	Ordinary Issued Capital	Retained Earning s	Total
Balance as at 1 July 2004		-	34,997	34,997
Profit for the Period		-	3,937	3,937
Sub Total		-	38,934	38,934
Balance at 30 June 2005		-	38,934	38,934
Profit for the Period		-	1,196	1,196
Balance at 30 June 2006		-	40,130	40,130

Notes to the financial statements are included on pages 14 to 22.

CREDIT UNION FINANCIAL SUPPORT SYSTEM LIMITED
ABN 24 088 097 563
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	Year Ended 30 June 2006 Inflow/(Outflow) \$	Year Ended 30 June 2005 Inflow/(Outflow) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers		403,217	392,900
Payments to Suppliers and Employees		(408,397)	(401,324)
Interest Received		12,094	11,167
Finance Costs		(521)	(115)
Income Tax Refunded		1,333	6,734
Net cash provided by operating activities	18	7,726	9,362
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash flows from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash flows from financing activities		-	-
Net increase in cash held		7,726	9,362
CASH AT THE BEGINNING OF THE FINANCIAL YEAR	8	27,582	18,220
CASH AT THE END OF THE FINANCIAL YEAR		35,308	27,582

Notes to the financial statements are included on pages 14 to 22.

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

1. Statement of Accounting Policies

Financial Reporting Framework

The financial report has been prepared at the request of the Directors and has been prepared on the basis that would have applied had the Company been required to prepare a General Purpose Financial Report under the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 13th September 2006

Significant Accounting Policies

Basis of Preparation

This financial report is the first financial report to be prepared in accordance with A-IFRS. AASB 1: *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* ("AASB 1") has been applied in preparing this financial report, with 1 July 2004 as the date of transition.

The financial report has been prepared under the historical cost convention, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner, which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The Company changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS had no impact on the Company's financial position, financial performance and cash flows.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand; cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(b) Trade and Other Receivables

Trade and other receivables are recorded at amortised cost less impairment.

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

1. Statement of accounting policies (continued)

(c) Impairment of Assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

(d) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the company income tax rate, adjusted for changes in deferred tax assets and liabilities and unused tax losses.

Deferred tax assets are recognised when temporary differences arise between the tax base of assets and liabilities and their respective carrying amounts which give rise to a future tax benefit, or where a benefit arises due to unused tax losses, but are only recognised in both cases to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences or tax losses.

Deferred tax liabilities are recognised when such temporary differences will give rise to taxable amounts being payable in future periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or the liabilities are settled.

(e) Payables

Other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except;

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

(g) Revenue and Expenses

Revenue and expenses are recognised on an accrual basis.

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

2. In accordance with our accounting policies, the Bank Overdraft facility has been reclassified as Borrowings.

	30 June 2006	30 June 2005
	\$	\$
3. REVENUE		
Levy – Credit Unions	351,700	342,785
Levy – Cuscal Limited	15,557	13,540
Other Revenue	-	615
Interest Revenue	12,094	11,167
	<u>379,351</u>	<u>368,107</u>

4. EXPENSES

Profit from ordinary activities includes the following items of expense:

Staff Expenses		153,900	132,341
Directors Fees		111,295	107,065
Total Key Management Compensation Expense	Note 6	<u>265,195</u>	<u>239,406</u>
Auditors Remuneration	Note 7	4,500	4,320
Management Charges – Cuscal Limited		25,000	19,000
Legal Expenses		-	-
Accountancy Fees		6,515	3,770
Building Occupancy		12,500	18,000
Other Expenses		63,889	77,538
		<u>377,599</u>	<u>362,034</u>

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
5. INCOME TAX EXPENSE			
Tax expense comprises			
Income statement			
Current Income tax charge		1,111	10
Deferred tax (income) relating to the origination and reversal of temporary differences		(555)	2,126
Income tax expense reported		556	2,136
Reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:			
Profit before income tax expense		1,752	6,073
Income tax expense calculated at 30% thereon		526	1,822
Net non-deductible / non-assessable items:			
Entertainment		30	314
Income tax expense		556	2,136

DEFERRED INCOME TAX ASSETS

	Year Ended 30 June 2006			
	Opening	Equity	Profit	Closing
	\$	\$	\$	\$
Accounts payable & other liabilities	1,427	-	855	2,282
Provisions	1,442	-	(330)	1,112
Tax Losses	1,292		(1,292)	-
Total deferred tax assets	4,161	-	(767)	3,394

	Year Ended 30 June 2005			
	Opening	Equity	Profit	Closing
	\$	\$	\$	\$
Accounts payable & other liabilities	2,414	-	(987)	1,427
Provisions	2,595	-	(1,153)	1,442
Tax losses	1,301	-	(9)	1,292
Total deferred tax assets	6,310	-	(2,149)	4,161

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

Note 5. (Continued)

DEFERRED INCOME TAX LIABILITIES	Year Ended 30 June 2006			
	Opening	Equity	Profit	Closing
	\$	\$	\$	\$
Accounts receivable & other assets	2,997	-	(1,322)	1,675
Total deferred tax liabilities	2,997	-	(1,322)	1,675
	Year Ended 30 June 2005			
	Opening	Equity	Profit	Closing
	\$	\$	\$	\$
Accounts receivable & other assets	3,099	-	(102)	2,997
Total deferred tax liabilities	3,099	-	(102)	2,997

6. KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of economic entity key management personnel in office at any time during the financial year are;

<i>Key Management Person</i>	<i>Position Held</i>
Mr F E Martin	Chairman – Non Executive
Mr P E Doughty	Director – Non Executive
Mr J H Prescott	Director – Non Executive
Mr P T Evers	Director – Non Executive
Mr B A Williams	Director – Non Executive
Mr D J Heine	Director – Non Executive
Mr D T Hughes	Executive Office – Credit Union Financial Support System

b. Compensation Practices

The boards policy for determining the nature and amount of compensation of key management for the entity is as follows;

The compensation structure for key management personnel is based on a number of factors including, length of service, particular experience of the individual concerned, meeting attendance and the overall performance of the company. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

c. Key Management Personnel Compensation

	<i>Salary & Directors Fees</i>	<i>Super Contributions</i>	<i>Bonus</i>	<i>Other Benefits</i>	<i>Total</i>
	\$	\$	\$	\$	\$
<u>2006</u>					
Total					
Compensation	240,392	20,903	5,000	(1,100)	265,195
<u>2005</u>					
Total	224,757	18,492	-	(3,844)	239,406

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

Compensation

	30 June 2006	30 June 2005
	\$	\$
7. REMUNERATION OF AUDITORS		
Audit Fees	4,500	4,320
Other Audit Services	-	-
	4,500	4,320
 8. CASH AND CASH EQUIVALENTS		
Cash at Bank and In Hand	46,856	47,650
Short Term Bank Deposits	-	-
	46,856	47,650
Reconciliation of Cash		
Cash at the end of the financial year as shown on the cash flow statement is reconciled to items in the balance sheet as follows;		
Cash and Cash Equivalents	46,856	47,650
Borrowings – Bank Overdraft Unsecured	(11,548)	(20,068)
	35,308	27,582
 9. TRADE AND OTHER RECEIVABLES		
Goods and Services Tax Credit Receivable from Australian Tax Office	16,346	19,154
Tax Refund Receivable	-	1,334
	16,346	20,488
 10. OTHER ASSETS		
Prepayments – Insurance	5,584	9,989
	5,584	9,989
 11. DEFERRED TAX ASSETS		
Deferred Tax Asset	3,394	4,161
	3,394	4,161

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

		30 June 2006 \$	30 June 2005 \$
12.	TRADE AND OTHER PAYABLES		
	Trade Payables	1,728	4,528
	Sundry Payables and Accruals	12,283	10,956
		14,011	15,484
		14,011	15,484
13.	CURRENT TAX LIABILITIES		
	Income Tax Liability	1,111	-
		1,111	-
		1,111	-
14.	PROVISION FOR EMPLOYEE BENEFITS		
	The aggregate employee benefit liability recognised in the financial statements is as follows:		
	Provision for employee benefits:		
	- Provision at beginning of Period	4,805	
	- Add Accruals for the Period	11,073	
	- Deduct Accrued Leave taken	(12,173)	
		3,705	
	Provision at end of Period	3,705	4,805
15.	DEFERRED TAX LIABILITIES		
	Deferred Income Tax Liability	1,675	2,997
		1,675	2,997
16.	CONTRIBUTED EQUITY		
	The company is limited by guarantee	-	-
	On winding up each person who is or was a member must contribute \$100 if the company is wound up while a person is a member or within one year after ceasing to be a member.	-	-

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

	30 June 2006	30 June 2005
	\$	\$
17. RETAINED PROFIT		
Balance at the beginning of the year	38,934	34,997
Profit for the Period	1,196	3,937
Balance at the end of the financial year	40,130	38,934

18. NOTE TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Profit for the Period	1,196	3,937
(Increase) / Decrease in assets:		
Trade and Other Receivables	4,142	6,445
Other Assets	4,405	42
Deferred Tax Asset	1,877	2,149
Increase / (Decrease) in Liabilities:		
Trade and Other Payables/Borrowings	(1,472)	646
Provision for Employee Benefits	(1,100)	(3,845)
Deferred Tax Liabilities	(1,322)	(12)
	7,726	9,362

19. FINANCIAL INSTRUMENTS DISCLOSURES

(a) Interest Rate Risk

The Company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

2006	Fixed interest maturing in:				Non	Total	Weighted
	Floating	1 year or	Over 1 to	Over 5	interest		Average
	rate	less	5 years	years	bearing		Interest
	\$	\$	\$	\$	\$	\$	%
Financial Assets							
Cash and Cash							
Equivalents	46,856	-	-	-	-	46,856	4.46
Trade and Other							-
Receivables	-	-	-	-	16,346	16,346	
	46,856	-	-	-	16,346	63,202	
Financial Liabilities							
Borrowings	11,548	-	-	-	-	11,548	4.46
Trade and Other							
Payables	-	-	-	-	14,011	14,011	
Provision for							
employee benefits	-	-	-	-	3,705	3,705	
	11,548	-	-	-	17,716	29,264	

**CREDIT UNION FINANCIAL SUPPORT SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006**

19. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(a) Interest Rate Risk (continued)

2005	Fixed interest maturing in:				Non interest bearing \$	Total \$	Weighted Average Interest %
	Floating rate \$	1 year or less \$	Over 1 to 5 years \$	Over 5 years \$			
Financial Assets							
Cash and Cash Equivalents	47,650	-	-	-	-	47,650	4.53
Trade and Other Receivables	-	-	-	-	20,488	20,488	-
	<u>47,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,488</u>	<u>68,138</u>	
Financial Liabilities							
Borrowings	20,068	-	-	-	-	20,068	4.53
Trade and Other Payables	-	-	-	-	15,484	15,484	
Provision for employee benefits	-	-	-	-	4,805	4,805	
	<u>20,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,289</u>	<u>40,357</u>	

(b) Foreign Exchange Risk

The company does not expose itself to any foreign exchange risk

(c) Credit Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties failed to perform as contracted.

On-Balance Sheet financial instruments

The credit risk on financial assets of the Company which have been recognised on the balance sheet, is the carrying amount, net of any provisions for doubtful debts.

Off-Balance Sheet financial instruments

The company does not use any off-balance sheet financial instruments.

(d) Net fair values of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies in Note 1.

20. SEGMENT REPORTING

The company operated in only one business segment, the provision of financial support services for the benefit of Australian credit unions and their members, solely within Australia.

21. ADDITIONAL COMPANY INFORMATION

Credit Union Financial Support System Limited is an unlisted public company limited by guarantee, incorporated in Australia.

The registered office and principal place of business are both:

1 Margaret St
SYDNEY NSW 2000

The number of employees at 30 June 2006 is 1 (2005: 1).