



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

Mr Martin Pritchard
Branch Secretary
National Union of Workers
Western Australian Branch
25 Barrack Street
PERTH WA 6000

Dear Mr Pritchard,

Re: Financial Documents for year ended 30 June 2004 - FR2004/610
National Union of Workers - Western Australian Branch
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I have received your letter dated 24 February 2005 in which you confirmed that the financial documents for the WA Branch of the NUW for the year ended 30 June 2004 were presented to a special meeting of the branch on 22 February 2005.

I also acknowledge receipt of your earlier letter of 2 February 2005 which foreshadowed that the abovementioned meeting was to occur.

Thank you for your assistance in this matter.

The financial documents for the branch for year ending 30 June 2004 have now been filed.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Schultz', written over a horizontal line.

Andrew Schultz
Statutory Services Branch

28 February 2005



National Union of Workers

[WESTERN AUSTRALIAN BRANCH]

Registered Office: 5th Floor, 25 Barrack Street, Perth WA 6000
Postal Address: P.O. Box Y3436 St Georges Terrace East Perth WA 6832
Telephone: [08] 9221 4321
Fax: [08] 9221 2774

BRANCH SECRETARY
MARTIN PRITCHARD
ABN 30 263 493 651

24 February 2004

FR 2004/610

The Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Dear Sir

RE: Financial Documents – 30 June 2004
National Union of Workers (Western Australian Branch)

Please find attached a copy of the Operating Report, General Purpose Financial Report and Auditor's Report in relation to the National Union of Workers (Western Australian Branch) for the year ended 30 June 2004.

The above mentioned documents contain the appropriate information and certificates as required by legislation and are submitted for filing.

Please note that further to our correspondence dated 2 February 2005, a special general meeting of members was convened for the 22 February 2005, at which time the audited report for financial year ended June 2004 was again presented.

Yours faithfully,

MARTIN PRITCHARD
BRANCH SECRETARY

Enc

Designated Officer's Certificate
S268 of Schedule 1B Workplace Relations Act 1996

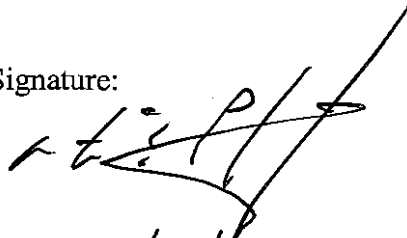
I, Martin Pritchard being the Branch Secretary of the National Union of Workers (Western Australian Branch) certify:

That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and

That the full report, was provided to members on 9 December 2004; and

That the full report was presented to a meeting of the committee of management of the reporting unit on 21 October 2004 and again on 22 December 2004. In addition, the full report was also presented to a special general meeting of members held on 22 February 2005; in accordance with section 266 of the RAO Schedule.

Signature:

A handwritten signature in black ink, appearing to read 'M. Pritchard', written over a horizontal line.

Date: 25/02/05



National Union of Workers

(WESTERN AUSTRALIAN BRANCH)

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BRANCH SECRETARY
MARTIN PRITCHARD
ABN 30 263 493 651

Andrew Schultz
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

2 February 2005

Dear Mr Schultz,

In reference to your letter of the 20 January 2005.

As I do not have a strong view to the contrary, I have taken up your suggestion and called for a special general meeting of members for the 22 February 2005, at which time I will again present the audited report for financial year ended June 2004.

Regards,

MARTIN PRITCHARD
BRANCH SECRETARY



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Mr Martin Pritchard
Branch Secretary
National Union of Workers
Western Australian Branch
25 Barrack Street
PERTH WA 6000

Dear Mr Pritchard,

Re: Financial Documents for year ended 30 June 2004 - FR2004/610
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I acknowledge receipt of the financial reports of the Western Australian Branch of the National Union of Workers ('NUW') for the year ended 30 June 2004. The documents were lodged in the Registry on 30 December 2004.

The documents have not yet been filed as the following matter requires your further attention:

Documents to be presented to a general meeting of members

The Secretary's Certificate states that the full report was presented to a meeting of the branch *Committee of Management* as distinct from such report being presented to a branch general meeting of members.

The standard obligation under subsection 266(1) of the RAO Schedule requires a full report to be presented to a general meeting of members within 7 months of the end of the financial year. It is only permissible to present the report directly to a Committee of Management meeting where the rules of an organisation contain a provision that allows up to 5% of members to demand a general meeting to be held to consider the report (see s266(3)). It is not apparent that the rules of NUW contain a provision envisaged by the RAO Schedule to permit any variation from the standard obligation for the presentation of the financial reports. In this respect rule 46(B) is not considered to be a rule that could be utilised for such a situation. Accordingly, it would seem that the Western Australian Branch remains obliged to present the full report to a general meeting (this can include a special general meeting).

Subject to any alternative view you may have in relation to the operational effect of the financial reporting Part of the RAO Schedule, could you please advise me in writing by Friday 4 February 2005 when this meeting is scheduled to take place.

Comments to assist future financial reports

The following comments may assist you when you next prepare financial reports. No further action is required regarding these issues with respect to the financial documents already lodged.

Periods of office for members of the Committee of Management

The Operating Report is required to provide the name of each person who has been a member of the Committee of Management of the reporting unit at any time during the reporting period, *and the period for which he or she held such a position.*

It is noted that the lodged documents did not provide details concerning the period each member of the Committee of Management held office during the financial year. In future financial years this information should also be provided in the Operating Report - see RAO Reg 159(c).

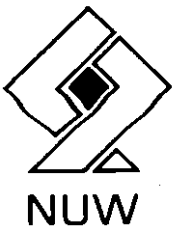
If you have any queries concerning any of the issues raised in this letter please contact me on (03) 8661 7799.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

20 January 2005



National Union of Workers

[WESTERN AUSTRALIAN BRANCH]

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BRANCH SECRETARY
MARTIN PRITCHARD
ABN 30 263 493 651

FR2004/610

23 December 2004

The Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Dear Sir

RE: **Financial Documents – 30 June 2004**
National Union of Workers (Western Australian Branch)

Please find attached a copy of the Operating Report, General Purpose Financial Report and Auditor's Report in relation to the National Union of Workers (Western Australian Branch) for the year ended 30 June 2004.

The above mentioned documents contain the appropriate information and certificates as required by legislation and are submitted for filing.

Yours faithfully,

M. Pritchard

MARTIN PRITCHARD
BRANCH SECRETARY

Enc



Designated Officer's Certificate
S268 of Schedule 1B Workplace Relations Act 1996


I, Martin Pritchard being the Branch Secretary of the National Union of Workers (Western Australian Branch) certify:

That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and

That the full report, was provided to members on 9 December 2004; and

That the full report was presented to a meeting of the committee of management of the reporting unit on 21 October 2004 and again on 22 December 2004; in accordance with section 266 of the RAO Schedule.

Signature:

A handwritten signature in black ink, appearing to read 'M. Pritchard', with a large, stylized flourish extending to the right.

Date: 23 December 2004

Operating Report of THE NATIONAL UNION OF WORKERS (WESTERN AUSTRALIAN BRANCH)
(2003/2004 Financial Year)

1. Review of units principal:

- Activities during the financial year
 - Results of those activities
 - Significant changes in the nature of the activities
- a) During 2003/2004 the branch has watched over and protected the interests of members, maintained reasonable hours of labour and fair wage rates and settled industrial disputes by negotiation, conciliation and arbitration.

There are approximately 38 Certified Agreements which involved the NUW. During the 2003/2004 financial year 13 were negotiated or renegotiated and certified by AIRC or were in the process of being certified. Certified Agreements provide an opportunity to improve the wages and industrial interests of members and provide additional flexibility for employers.

In addition to using certified agreements as a vehicle for furthering the interests for members the safety nets of awards underpinning certified agreements has also been updated in accordance with national wage decisions and for the process of modernization.

- b) Where industrial matters cannot be resolved through negotiation it may be necessary for them to be referred to the AIRC for conciliation and/or arbitration. In this respect approximately one matter per week was referred to the AIRC to be dealt with by conciliation and/or arbitration. The bulk of the referrals referred to claims of unfair dismissals and also involved interpretations of certified agreements and awards.
- c) The result of these activities have been general increases in certified agreement wages, allowances and conditions of about 3-5% per annum depending on the industry and employer. There have also been considerable improvements in the flexibility of working arrangements that has benefited many members particularly female members who may have to combine work with family responsibilities.

Matters referred to the AIRC have been largely resolved to members satisfaction.

- d) The NUW also handles matters involving work related injuries and has an average of 4 ongoing files being processed during the 2003/2004 financial year.
- e) During the 2003/2004 financial year 3 training courses were conducted.
- f) There have been no significant changes in the activities of the NUW during the 2003/2004 financial year.

2. Details of significant changes in units financial affairs

There have been no significant changes in the Branch's financial affairs.

3. Detail of the right of members to resign under S174

Members of the NUW are entitled to resign pursuant to schedule 1B clause 174 Registration and Accountability of Organizations. The NUW strictly adheres to the resignation from membership provisions, contained therein. Those rights include:

- Resignation by notice in writing.

- Resignation takes effect on the day it is received or the day specified in the notice or at the end of a two week period, whichever is applicable.

4. Details of any officer or member of the reporting unit who is:

- A trustee of a superannuation entity or an exempt public sector superannuation scheme: or
- A director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme: and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organization.

The Assistant Secretary of the Branch is an alternate director of the Retail Employees Superannuation Trust but this is not a requirement of the fund.

5. Details of membership of the Committee of Management

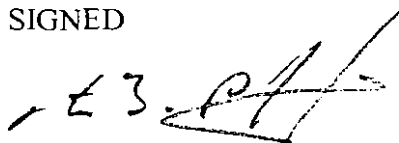
Alexander Miskiewicz	Branch President
Graham Gilchrist	Branch Senior Vice President
Peter Toy	Branch Junior Vice President
Martin Pritchard	Branch Secretary
Joseph Bullock	Branch Assistant Secretary
Edward Benjamin	Branch Member
Christine McIvor (nee Benton)	Branch Member
Garry Farmer	Branch Member
Alison Rushack	Branch Member
Sebastiano Scata	Branch Member

6. Other

- The report is signed and dated
- The number of members of the NUW WA Branch at 30/06/2004 is 952
- The Branch employs 2 employees
- At point (1) the report contains a review of principal activities
- At point (2) are details of significant change of activities that being nil
- At point (3) are details of superannuation trustees
- At point (5) are details of membership of the Committee of Management

SIGNED

DATED 30 November 2004



MARTIN PRITCHARD
BRANCH SECRETARY

**National Union of Workers
(Western Australian Branch)**

Financial Report
for the financial year ended 30 June 2004

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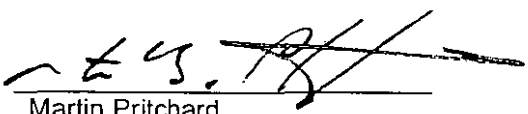
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**National Union of Workers
(Western Australian Branch)**


Committee of Management Statement

We, Martin Pritchard and Joseph Warrington Bullock, being two members of the Committee of Management of the National Union of Workers (Western Australian Branch), do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 21 October 2004, that in the opinion of the Committee:

- a) The financial statement and notes comply with the Australian Accounting Standards;
- b) The financial statement and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statement and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- d) There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- e) During the year ended 30 June 2004 and since the end of that year;
 - (i) Meetings of the Committee of Management were held in accordance with the rules of the National Union of Workers including the rules of the Branch; and
 - (ii) The financial affairs of the Branch have been managed in accordance with the rules of the National Union of Workers including the rules of the Branch; and
 - (iii) The financial records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) The financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the National Union of Workers; and
 - (v) The information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



Martin Pritchard



Joseph Warrington Bullock

Date: 3/1/04
Perth, WA

Independent audit report to members of National Union of Workers (Western Australian Branch)

Scope

The financial report and committee of managements' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, the accounting officer's certificate and the committee of managements' certificate for the National Union of Workers (Western Australian Branch) ("the Branch"), for the year ended 30 June 2004.

The Branch's committee of management is responsible for preparing a financial report that presents fairly the financial position and performance of the Branch, and that complies with Accounting Standards in Australia, in accordance with the Workplace Relations Act 1996 and the Branch's rules. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Branch. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance the Workplace Relations Act 1996, including compliance with Accounting Standards, other mandatory financial reporting requirements in Australia, and the Branch's rules, a view which is consistent with our understanding of the Branch's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the committee of management of the Branch.

Independence

We are independent of the Branch, and have met the independence requirements of Australian professional ethical pronouncements.

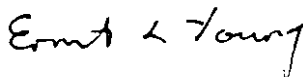
Qualification

Membership contributions are a significant source of receipts for the Branch. The Branch has determined that it is impracticable to establish control over the collection of membership contributions prior to entry in the financial records. Accordingly, as the evidence available to us regarding receipts from this source was limited, our audit procedures with respect to membership contributions have to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether membership contributions the Branch received are complete.

Qualified Audit opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation referred to in the qualification paragraph above not existed the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Workplace Relations Act, 1996 the financial position of the National Union of Workers (Western Australian Branch) as at 30 June 2004, and its financial performance and its cash flows for the year then ended.

We have obtained all of the information and explanation required from the National Union of Workers (Western Australian Branch).



Ernst & Young

Perth

3 November 2004

**National Union of Workers
(Western Australian Branch)**

**Statement of Financial Position
as at 30 June 2004**

	2004 \$	2003 \$
CURRENT ASSETS		
Cash assets	175,008	133,282
Receivables- contributions	17,274	14,954
Other assets – prepayments	119	4,15 ^a
GST receivable	1,462	1,521
Loan – FPU (Note 3)	30,000	30,000
TOTAL CURRENT ASSETS	223,863	183,915
TOTAL ASSETS	223,863	183,915
CURRENT LIABILITIES		
Payables (Note 3)	32,623	18,180
Provision for employee entitlements	-	1,562
Provision for audit fees	3,000	2,000
TOTAL CURRENT LIABILITIES	35,623	21,742
NON CURRENT LIABILITIES		
Provision for employee entitlements	-	5,352
TOTAL NON CURRENT LIABILITIES	-	5,352
TOTAL LIABILITIES	35,623	27,094
NET ASSETS	188,240	156,821
Represented by:		
ACCUMULATED FUNDS		
General fund – opening	156,821	169,194
Surplus/(Deficit) for the year	31,419	(12,373)
TOTAL ACCUMULATED FUNDS	188,240	156,821

The accompanying notes form an integral part of these financial statements.

**National Union of Workers
(Western Australian Branch)**

**Statement of Financial Performance
for the Year Ended 30 June 2004**

	2004 \$	2003 \$
REVENUE		
Membership contributions	221,294	174,144
Interest	1,300	1,166
Other income	600	-
TOTAL REVENUE	223,194	175,310
EXPENDITURE		
Affiliation – Australian Labor Party	2,753	1,389
Affiliation – Unions WA (Trades and Labour Council)	4,310	4,248
Amenities & Functions	3,888	-
Audit fees	5,485	(1,525)
Bank charges and taxes	513	465
Commissions on contributions collected	3,451	3,394
Donations	273	-
Insurance	17,644	13,347
Meeting expenses – local	-	360
Meeting expenses – interstate	8,807	14,432
National executive dues – NUW National Office	37,047	27,523
Printing and stationery	11,984	14,560
Service fee – SDA of WA	22,116	16,872
Shopper cards	233	225
Shop stewards function & meetings	2,374	6,089
Subscriptions	-	116
Sundry expenses/Organiser refunds	6,039	1,024
Union Journal	-	24,252
Superannuation		
- Members of Committee of Management	2,151	2,128
- Other employees	4,016	3,862
Salaries		
- Members of Committee of Management	12,143	11,825
- Other employees	40,178	40,492
Employee Expenses	6,370	2,605
TOTAL EXPENDITURE	191,775	187,683
SURPLUS/(DEFICIT) FOR THE YEAR	31,419	(12,373)

The accompanying notes form an integral part of these financial statements.

**National Union of Workers
(Western Australian Branch)**

**Statement of Cashflows
for the Year Ended 30 June 2004**

	Note	2004 \$ Inflows (Outflows)	2003 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions and other revenue received		216,123	167,728
Payments for operations and to employees	3	(175,697)	(182,113)
Interest received		1,300	1,166
		<hr/>	
NET CASH (UTILISED) / PROVIDED BY OPERATING ACTIVITIES		41,726	(13,219)
		<hr/>	
NET INCREASE / (DECREASE) IN CASH HELD		41,726	(13,219)
		<hr/>	
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		133,282	146,501
		<hr/>	
CASH AT THE END OF THE FINANCIAL YEAR		175,008	133,282
		<hr/>	

The accompanying notes form an integral part of these financial statements.

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This general purpose financial report has been prepared for distribution to members of the Branch to satisfy the Committee of Managements reporting responsibilities imposed by the Workplace Relations Act 1996. The accounts have been prepared on an accrual basis of accounting.

(b) Income Tax

Under Section 50-15 of the Income Tax Assessment Act 1997, the Branch is exempt from income tax.

(c) Employee Provisions

Provision has been made in the financial statements for benefits accruing to employees in relation to annual leave, long service leave. No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting sick leave will never be paid.

All on-costs, including payroll tax, workers' compensation premiums, fringe benefits tax, superannuation and applicable leave loading are included in the determination of provisions. Annual leave and the current portion of long service leave provisions are measured at their nominal amounts based on the remuneration rates that are expected to be paid when the liability is settled.

Thirteen weeks long service leave is due to employees after seven years completed service. The long service leave provision is raised at the commencement of employment.

(d) Contributions by Members

Gross contributions by members are shown. Commissions deducted by employers as payment for collection services are shown separately as an expense. Contributions by members have been brought to account on an accruals basis. The amount of contributions receivable at 30 June 2004 has been accrued for via a review of subsequent cash receipts to 19 August 2004. Due to the nature of this revenue, it is not practicable to establish controls over it prior to the initial entry in the accounting records.

(e) Cashflow Statement

For the purposes of the statement of cashflows, cash includes cash on hand and in banks (excluding bank accounts specifically designated for particular purposes and disclosed as investments), net of outstanding bank overdrafts.

(f) Payables

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

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2004**

g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the expense item; and
- receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows in a gross basis.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR A REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272, which reads as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

3. RELATED PARTY TRANSACTIONS

i. Loan to Food Preservers Union

This amount is a loan made to the Food Preservers Union of Western Australia. The amount is unsecured and interest free and was repaid on 30 September 2004.

ii. Affiliation Dues and National Executive Dues

Affiliation dues are payable to the ALP to enable members to have voting rights in the ALP. The affiliation dues are based on membership and determined by the ALP. National Executive dues are payable to the National Union of Workers National Office and are payable based on membership income. An amount of \$12,577 is included in payables in relation to National Executive dues yet to be paid at 30 June 2004. The amount paid during the year was \$32,458.

4. SEGMENT REPORTING

The Branch operated in the trade union business in Western Australia.

**National Union of Workers
(Western Australian Branch)**

**Notes To and Forming Part of the Accounts
for the Year Ended 30 June 2004**

5. FINANCIAL INSTRUMENTS

i. Net Fair Values

Except for the loan to the FPU (refer note 3) cash, receivables and payables have been recognised in the Statement of Financial Position at their net fair values.

ii. Interest Rate Risk

Cash is held in a floating interest rate bank account or term deposit. The weighted average interest rate on cash balances was 1% (2003: 1%). All other financial assets and liabilities are non-interest bearing.

6. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

	2004	2003
	\$	\$
(Deficit) / Surplus for the period	31,419	(12,373)
Adjustment for non-cash income and expense items:		
Provisions	(5,914)	(4,567)
Changes in assets and liabilities:		
(Increase)/Decrease in prepayments	4,039	(1,573)
(Increase)/Decrease in receivables	(2,261)	(7,020)
Increase in creditors	14,443	12,314
Net cash provided by operating activities	41,726	(13,219)

National Union of Workers (Western Australian Branch)

7. REMUNERATION OF COMMITTEE OF MANAGEMENT

The following persons held office through the entire period 1st July 2003 to 30th June, 2004 unless otherwise indicated.

Martin Pritchard
Joseph Bullock
Alexander Miskiewicz
Graham Gilchrist
Peter Toy
Edward Benjamin
Christine McIvor
Sebastiano Scata
Alison Rushack
Garry Farmer

The total remuneration paid or payable, directly or indirectly, from the Branch or any related party to all the members of the Committee of Management was \$14,294. (2003 : \$13,953)

8. IMPACT OF ADOPTING AASB EQUIVALENT TO IASB STANDARDS

The Branch has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The Branch has allocated internal resources and engaged expert consultants to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to IFRS. As the Branch has a 30 June year end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when the Branch prepare its first fully IFRS compliant financial report for the year ended 30 June 2006. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of the Branch. At this stage the Branch has not been able to reliably quantify the impacts on the financial report.

Classification of Financial Instruments

Under AASB 139 *Financial Instruments: Recognition and Measurement*, financial instruments will be required to be classified into one of five categories which will, in turn, determine the accounting treatment of the item. The classifications are loans and receivables- measured at amortised cost, held to maturity - measured at amortised cost, held for trading – measured at fair value with fair value changes charged to net profit or loss, available for sale – measured at fair value with fair value changes taken to equity and non-trading liabilities - measured at amortised cost. This will result in a change in the current accounting policy that does not classify financial instruments. Current measurement is at amortised cost, with certain derivative financial instruments not recognised on balance sheet. The future financial effect of this change in accounting policy is not yet known as the classification and measurement process has not yet been fully completed.