

ANNUAL FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

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Directors' Report

for the financial year ended 30 June 2000

The Directors of IOOF Ltd (formerly known as IOOF of Victoria Friendly Society Ltd) ("the Company") present the annual financial report for IOOF Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2000.

DIRECTORS

The names and particulars of the Directors of the Company during the whole of the financial year and up to the date of this report are:

Director	Age	Qualifications	Occupation
Mr L A Bytheway (Chairman)	68	A.A.U.Q., F.C.P.A., F.A.I.C.D.	Company Director
Dr R N Sexton (Deputy Chairman)	50	B.Ec. (Hons.), M. Ec, Ph.D. (Econ.), F.A.I.C.D., F.A.I.M.	Company Director and Investment Banker
Mr M U R Crivelli	61	B.Ec., A.S.A., A.S.I.A.	Executive Director and Investment Management
Mr M W Parkinson, C.B.E.	57	B.A. (Hons.), M.B.A.	Merchant Banker
Dr N L Scheinkestel	40	LL.B. (Hons.), Ph.D.	Company Director, Consultant and Academic
Mr R J Schoer	67	B.Admin, F.C.P.A., F.A.I.C.D., F.C.I.S., F.A.I.M.	Business Consultant and Company Director
Mr R J Turner	57	B. Com., F.A.I.C.D.	Managing Director

The following director was appointed during the financial year and held office up until the date of this report:

Ms K D Spargo (appointed 30/08/1999)	48	LL.B. (Hons.), B.A.	Business Consultant and Company Director
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The following director has retired:

Mr D E Jury (retired 19/07/2000)	59	F.A.I.C.D. (Dip.)	Company Director
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PRINCIPAL ACTIVITIES

The principal activities of the economic entity referred to as the IOOF Group (comprising the Company, as the chief entity, and controlled entities as appearing in Note 22 to the financial statements) during the course of the financial year were:

- to offer a range of financial products and portfolio administration services, including single and multi-premium investments, superannuation, approved deposit funds, immediate and deferred annuities and investment trusts;
- to provide life, health and disability insurance cover;
- to provide financial planning and advisory services; and
- to provide trustee and executor services.

The Group had divested its holdings in a building society, several retirement villages and related care facilities for the aged in the prior year.

CONSOLIDATED RESULTS

The consolidated net operating profit for the year after income tax expense and extraordinary items attributable to members of the IOOF Group was \$5,571,000 (1999: \$14,001,000).

REVIEW OF OPERATIONS

A review of the operations of the IOOF Group is contained in the Chairman's and Managing Director's Report in the Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were several significant changes in the IOOF Group's state of affairs that occurred during the financial year. They are set out below and referred to in the financial statements or the notes thereto.

In July 1999, IOOF Group formed a new funds management company, Perennial Investment Partners Ltd. Another controlled entity Perennial Value Management Limited was incorporated in December 1999 as a funds management company.

In anticipation of the Federal Government new health initiatives, the net assets of the IOOF Health Benefits Fund were transferred to the newly incorporated IOOF Health Services Ltd effective 1 January 2000. IOOF Health Services Ltd continued the activities of providing health insurance.

The financial year ended 30 June 2000 marks the completion of the first period of operation of Bendigo Investment Services Ltd, the Group's joint venture company with Bendigo Bank. Bendigo Investment Services Ltd provides financial planning services to Bendigo Bank customers and IOOF members.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Company signed an agreement with Tower Trust Limited on 25 July 2000 for the sale of the operating controlled entities within the Trustees Group. The Company's St Kilda head office property was sold on 5 July 2000 as part of the move to CBD based leased premises.

The Goods and Services Tax (GST) became operative 1 July 2000. Accounting policies and procedures have been implemented to ensure that GST is accounted for in accordance with Australian Taxation Office requirements and relevant Accounting Standards.

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, or the accompanying financial statements and notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the IOOF Group, the results of those operations, or the state of affairs of the IOOF Group in subsequent financial years.

FUTURE DEVELOPMENTS

The Directors believe, on reasonable grounds, that to include in this report particular information regarding likely developments to the IOOF Group's operations and the expected results of those operations in subsequent financial years would be likely to result in unreasonable prejudice to the IOOF Group. Accordingly, this information has not been included in this report.

YEAR 2000

To date the Group has not experienced any material adverse Year 2000 issues.

RISK MANAGEMENT STATEMENTS

In accordance with the former Australian Financial Institutions Commission's Prudential Standards, the Directors have put in place various Risk Management Statements, now applied by Australian Prudential Regulation Authority ("APRA") under transitional arrangements.

DIRECTORS' BENEFITS

During or since the financial year, no Director of the Company has received or become entitled to receive a benefit because of a contract that the Director, or a firm of which the Director is a member, or an entity in which the Director has a substantial financial interest, made with the Company or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive, the benefit other than:

- a. a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in Notes 20 and 21 to the financial statements; and
- b. the fixed salary of a full time employee of the Company or an entity that the Company controlled or a related body corporate.

Directors' Report (Continued)

for the financial year ended 30 June 2000

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by the Company's Directors during the financial year were:

Director	Directors' Meetings		Number of Meetings Held (c)	Committee Meetings	
	Number of Meetings Held (a)	Number of Meetings Attended (b)		Number of Meetings Attended (d)	Number of Meetings Attended by Invitation (e)
Mr L A Bytheway (Chairman)	13	12	5	5	15
Dr R N Sexton (Deputy Chairman)	13	13	-	-	-
Mr M U R Crivelli	13	10	-	-	-
Mr D E Jury (retired 19/07/2000)	13	13	15	15	-
Mr M W Parkinson	13	13	11	11	-
Dr N L Scheinkestel	13	10	9	9	-
Mr R J Schoer	13	12	15	15	-
Mr R J Turner (Managing Director)	13	13	-	-	9
Ms K D Spargo (appointed 30/08/1999)	11	10	3	3	-

- Reflects the number of regular board meetings held during the time the Director held office during the year.
- Reflects the number of meetings attended during the year.
Note, in addition to the above regular scheduled meetings, a number of additional meetings were held during the year to address special Board issues. These were attended by all, or the majority of, the Directors. Directors have also attended meetings of subsidiary boards which are not listed above.
- Reflects the number of meetings held of the sub-committees of the Board comprising the Audit Committee, Governance Committee and the Remuneration and Nomination Committee.
- Reflects the attendance at meetings by the appointed Board representatives of the above committees.
- Reflects the number of committee meetings attended by invitation by the Company's Directors.

IDEMNIFICATION

There is a Directors' and Officers' Liability and Company Reimbursement Insurance policy which indemnifies all the Directors and Officers of the IOOF Group against liabilities to persons outside the IOOF Group that arise out of performance of their normal duties. The insurance policy stipulates that the underwriter will indemnify Directors and Officers of the IOOF Group against any liabilities, costs and expenses in accordance with the terms of the policy. The terms of the policy prohibit disclosure of the nature of the liability and the amount of the premium.

ENVIRONMENTAL REGULATION

IOOF Group is not subject to significant environmental regulation. However, the directors have enquired of responsible parties and are assured that the Group's environmental responsibilities with regards to its holdings of land and buildings are being met.

ROUNDING OFF OF AMOUNTS

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the rounding off of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Signed in accordance with a resolution of the Directors.



L A Bytheway
Chairman of the Board

Melbourne,
27 September 2000.



R J Turner
Managing Director

27 September, 2000

The Directors
IOOF Ltd
22 St. Kilda Road
St. Kilda VIC 3182

I have investigated the financial condition of IOOF Ltd as at 30th June 2000 in accordance with Section 113 of the Life Insurance Act 1995 (the Act) and Prudential Standards 1 and 2 determined by the Australian Prudential Regulation Authority (APRA).

As a result of that investigation it is my opinion that:

- (a) for each approved benefit fund of the Company, the value of the benefit liabilities and the solvency of each approved benefit fund have been determined using methods and assumptions consistent with the actuarial standards;
- (b) the allocation and distribution of the surplus of the approved benefit funds of the Company have been made in accordance with Division 5 of Part 4 of the Life Insurance Act 1995 and the approved benefit fund rules of each approved benefit fund; and
- (c) the proper records provided to me contain sufficient detail to allow actuarial valuation in accordance with Life Insurance Actuarial Standards Board statutory valuation standards. In accordance with the Institute of Actuaries of Australia professional standard PS200, I have performed spot and aggregate checks on the records of members' benefit entitlements and obligations provided to me but have otherwise necessarily relied on the accuracy and integrity of the IOOF systems producing the data.



A L Truslove BSc PhD MBA FIA FIAA
Appointed Actuary

Profit & Loss Statements

for the financial year ended 30 June 2000

	Note	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
Operating profit before income tax and abnormal items	2	4,197	4,088	2,611	221
Income tax benefit	3	10,776	5,649	9,801	7,941
Operating Profit after income tax before abnormal items		14,973	9,737	12,412	8,162
Abnormal Items	4	(10,308)	(10,867)	(8,185)	(10,535)
Income tax benefit on abnormal items	4	905	120	141	-
Operating Profit/(Loss) after Abnormal Items		5,570	(1,010)	4,368	(2,373)
Profit on extraordinary items	5	-	15,526	-	13,828
Income tax attributable to profit on extraordinary items	5	-	(515)	-	-
Net Profit and Extraordinary Items after Income Tax		5,570	14,001	4,368	11,455
Net loss attributable to outside equity interest	1	-	-	-	-
Net Profit attributable to members of IOOF Ltd		5,571	14,001	4,368	11,455
Retained profits at the beginning of the financial year		69,962	58,124	64,402	53,729
Transfers to reserves	14	(295)	(2,163)	(295)	(2,163)
Transfers from CBA Queensland Friendly Society		-	-	-	1,381
Inclusion of IOOF Health Benefits Fund		3,712	-	-	-
Transfers from IOOF Community Villages Friendly Society		-	-	898	-
Retained Profits at the End of the Financial Year		78,950	69,962	69,373	64,402

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Balance Sheets

as at 30 June 2000

	Note	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
Current Assets					
Cash	24(a)	28,889	55,833	16,351	19,594
Receivables	6	12,398	7,800	12,363	5,178
Investments	7	23,109	-	7,400	-
Other	8	1,784	2,014	1,713	1,654
Total Current Assets		66,180	65,647	37,827	26,426
Non-Current Assets					
Receivables	6	1,341	1,287	989	1,979
Investments	7	26,826	27,098	43,780	55,446
Property, plant & equipment	9	12,710	9,060	12,299	8,970
Future income tax benefits		2,649	301	-	-
Other	8	1,384	2,369	1,384	1,796
Total Non-Current Assets		44,910	40,115	58,452	68,191
Total Assets		111,090	105,762	96,279	94,617
Current Liabilities					
Accounts payable	10	6,714	7,808	4,886	7,002
Borrowings	11	227	-	-	-
Provisions	12	8,314	10,939	2,467	3,589
Other	13	-	155	-	93
Total Current Liabilities		15,255	18,902	7,353	10,684
Non-Current Liabilities					
Provisions	12	3,410	3,855	1,654	1,920
Total Non-Current Liabilities		3,410	3,855	1,654	1,920
Total Liabilities		18,665	22,757	9,007	12,604
NET ASSETS		92,425	83,005	87,272	82,013
Equity					
Retained profits		78,950	69,962	69,373	64,402
Reserves	14	13,323	13,035	17,899	17,611
Outside equity interests	15	152	8	-	-
TOTAL EQUITY		92,425	83,005	87,272	82,013
In previous years, the Balance Sheets included benefit fund members' funds. The restated Balance Sheets inclusive of the members' funds are:					
Total Assets		1,440,482	1,587,669	1,425,671	1,576,524
Total Liabilities		1,348,057	1,504,664	1,338,399	1,494,511
		92,425	83,005	87,272	82,013

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2000

	Note	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
Cash flows from operating activities					
Payments to suppliers and employees		(74,682)	(88,694)	(55,544)	(52,780)
Claims paid		(5,485)	-	-	-
Dividends/distributions received		1,044	-	666	1,403
Interest and bill discounts received		2,108	19,302	884	1,560
Other income received		65,456	73,893	41,385	41,197
Interest and other costs of finance (paid)/received		16	(11,597)	(16)	(15)
Income tax benefit received		702	7,600	7,925	9,750
Net cash provided by/(used in) operating activities	24(b)	(10,841)	504	(4,700)	1,115
Cash flows from member activities					
Net inflow/(outflow) in Building Society member deposits		-	509	-	-
Net inflow/(outflow) in member funds		1,802	(9,001)	1,800	(9,001)
Transfer from IOOF Community Villages Friendly Society		869	-	898	-
Inclusion of IOOF Health Benefits Fund		6,885	-	-	-
Transfer from CBA Queensland Friendly Society		-	-	-	1,381
Net cash provided by/(used in) member activities		9,556	(8,492)	2,698	(7,620)
Cash flows from financing activities					
Proceeds from minority interests		140	-	-	-
Net cash provided by financing activities		140	-	-	-
Cash flows from investing activities					
Payment for purchase of investment securities	24(c)	(7,720)	(500)	(1,625)	(500)
Payment for share subscription in a controlled entity		-	-	(6,500)	(3,500)
Proceeds from sale of investment securities	24(c)	6,124	800	-	-
Proceeds from capital buy back by controlled entities		-	-	13,500	1,280
Loans to controlled entities		-	-	-	(1,885)
Loans to policy holders		(10)	(38)	(10)	(38)
Net movement in borrowings		-	6,654	-	-
Payment for property, plant & equipment		(2,453)	(4,807)	(1,481)	(4,523)
Proceeds from sale of property, plant & equipment		7	5,007	-	-
Net cash (outflow)/inflow on disposal of business		-	(5,347)	-	14,864
Proceeds from related entity		(140)	-	-	-
Payment of loan from controlled entity		-	-	1,000	4,780
Net cash provided by/(used in) investing activities		(4,192)	1,769	4,884	10,478
Net increase/(decrease) in cash held		(5,337)	(6,219)	2,882	3,973
Cash at the beginning of the financial year		55,833	62,052	19,594	15,621
Cash at the end of the financial year	24(a)	50,496	55,833	22,476	19,594

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Law, the Life Insurance Act 1995, APRA Prudential Rules for Friendly Societies, Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and Actuarial Standards.

Significant Accounting Policies

In addition to the accounting policies prescribed by Prudential Rule No. 47, Accounting Standards and Urgent Issues Group Consensus Views, the following significant accounting policies have been adopted in the preparation and presentation of the financial report.

a. Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the economic entity, being the Company, comprising its management funds and reserves (the chief entity) and its controlled entities as defined in accounting standard AASB 1024 "Consolidated Accounts". A list of controlled entities appears in Note 22 to the financial statements. Consistent accounting policies have been employed across all entities comprising the economic entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the economic entity are eliminated in full. Where control of an entity is obtained during a financial year, its results are included in the consolidated profit and loss statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

On 1 July 1999 the parent entity ceased to be regulated by the Australian Financial Institutions Commission (AFIC) under the Friendly Societies Act and became a company limited by shares and guarantee, regulated by the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulatory Authority (APRA) under the Corporations Law and the Life Insurance Act. Previous reporting requirements under AFIC prudential standards required the assets, liabilities and members' balances of Benefit Funds managed by the Company, to be included in the Balance Sheet of the Management Fund and Consolidated Entity. Under new reporting requirements, following the change in regulatory regime, the assets, liabilities, members' balances, revenues and expenses of the Benefit Funds are excluded from the Profit and Loss Statements, Balance Sheets and Statements of Cash Flows of both the Company and the Consolidated Entity. The Benefit Funds are still separately reported in Notes 26 (a) and (c) in the Benefit Funds Movements Statement along with all other funds under management in Notes 26 (b) and (d) in the Other Managed Funds Statement.

b. Investments

Controlled Entities

The investments in controlled entities are brought to account at Directors' valuation based on the value of underlying net assets, except where the Directors believe the future profitability of a controlled entity may be in doubt.

Joint venture

The investment in the joint venture company (disclosed in Note 7(e)) has been accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

Quoted securities

Quoted securities are valued at their net market value in accordance with APRA Prudential Rule No. 47 rule 13.

Current investments

A current investment is one whose term to maturity is less than one year or where the maturity date is beyond one year but the investment is actively traded and can be sold in an orderly market prior to maturity.

Mortgage securities

Mortgage securities are recognised at recoverable amount, after assessing required provisions for impairment. Bad debts are written off when identified.

Notes to the Financial Statements

for the financial year ended 30 June 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Revenue

Revenue is recognised for the major business activities as follows:

Management fees earned from the funds are calculated based on an agreed percentage of the respective funds under management or administration.

Interest income, dividend income, distribution income and rental income are brought to account on an accruals basis.

Commission income from the provision of financial advisory services is earned on lodgement of investment application.

Changes in the net market value of financial assets and liabilities are recognised as revenues or expenses in the profit and loss statement in the year in which the changes occur.

d. Income Tax

Tax effect accounting principles have been adopted whereby income tax expense has been calculated on pre-tax operating profit after adjustment for permanent differences. The tax effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at taxation rates expected to apply in the provision for deferred income tax and future income tax benefit, depending on the timing of their reversal.

The applicable rates of income tax vary depending upon the fund or entity involved. Superannuation and rollover funds generally attract income tax at the rate of 15%, the eligible insurance activities of Company funds at the rate of 33% and companies at the rate of 36%.

e. Depreciation and Amortisation

Property, plant and equipment, including owner/occupied freehold buildings but excluding land, are depreciated on a straight line basis designed to write off the net cost of each asset over its estimated useful life. The expected useful life of property, plant and equipment varies between 3 to 50 years.

Costs associated with major software development are amortised over 3 years.

f. Freehold Land and Buildings

Freehold land and buildings that are both owned and occupied are classified as property in non-current assets.

Land and buildings are revalued at regular intervals. Independent assessments are obtained of the fair market value of land and buildings based on existing use and such assessments are used as a guide when revaluations are made.

g. Receivables

All trade debtors are recognised at the amounts receivable. They are due for settlement at terms which vary between 14 days and, in exceptional circumstances, 180 days from the date of recognition.

The collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off to the Profit and Loss Statement. A provision for doubtful debts is raised where some doubt as to collection exists, based on the amount that is expected to be uncollectible.

h. Accounts Payable

Liabilities are recognised for amounts to be paid in the future, for goods and services received up to the reporting date, whether or not billed. Trade accounts payable are settled within normal terms and conditions, with terms generally ranging from 7 to 55 days. Some agreements, for example those relating to certain commission payments, can require quarterly or annual settlement.

i. Borrowings

Treasury settlements and member deposits are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accruals basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Recoverable Amount of Non-Current Assets

Non-current assets are written down to their recoverable amounts where the carrying value of any non-current asset exceeds its recoverable amount. Recoverable amounts are determined as the amounts expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the non-current assets, which have been discounted where appropriate.

Where the recoverable amount of a non-current asset exceeds its notional replacement cost, no further write-down to the notional replacement cost nor any provision for diminution in the carrying value of the non-current asset is brought to account.

k. Leases

All leases undertaken by the IOOF Group are of the nature that all the risks and benefits of ownership are effectively retained by the lessor and are therefore classified as operating leases. Operating lease payments are charged as an expense in the period in which they are incurred.

l. Surplus Leased Premises

In the event that premises leased by the Company pursuant to a non-cancellable operating lease are identified as surplus to the needs of the Company, a liability and expense are recognised equal to the present value of the net expected outlay relating to the surplus space as specified under the lease agreement.

m. Employee Entitlements

Wages, Salaries and Annual Leave

The provision for employee entitlements to wages, salaries and annual leave represent the amount which the IOOF Group has a present obligation to pay resulting from employees' services provided up to balance date. The provision has been calculated based on current wage and salary rates and includes related on-costs.

Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using rates attaching to Commonwealth Government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the IOOF Group's experience with employee departures.

n. Deferred Acquisition Costs

Acquisition costs are those costs associated with the writing of new business. Deferred acquisition costs on any Friendly Society benefit fund or product for which the Company acts as Trustee have been valued in accordance with APRA Prudential Rules for Friendly Societies, and Actuarial Standards. Deferred acquisition costs on other funds for which a controlled entity acts as a Responsible Entity have been calculated in accordance with generally accepted accounting principles.

Acquisition costs which are carried as an asset in the balance sheet, are progressively amortised in the profit and loss statement, over the period of time probable future benefits are expected to be received.

o. Year 2000 Software Modification Costs

Costs relating to the modification of computer software for Year 2000 compatibility are charged as expenses as incurred.

p. Comparative Figures

Where necessary, comparative figures have been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
2. OPERATING PROFIT/(LOSS)				
The operating profit/(loss) before income tax includes the following items of revenue and expense:				
Operating Revenue				
Management fees:				
- Wholly owned controlled entities	-	-	9,398	7,799
- Benefit funds	22,200	24,571	22,200	24,571
- Other managed funds	13,875	9,365	9,052	6,089
- Other related parties	786	-	744	1,345
- Other non-related entities	211	116	-	-
	37,072	34,052	41,394	39,804
Interest revenue:				
- Directors & director-related entities	7	-	-	-
- Wholly owned controlled entities	-	-	-	1
- Other related parties	188	-	185	-
- Other non-related entities	1,813	20,848	640	1,642
	2,008	20,848	825	1,643
Dividends:				
- Wholly owned controlled entities	-	-	-	1,403
- Other non-related entities	1,137	-	1,005	-
Distributions:				
- Other related parties	825	-	314	-
Rental revenue:				
- Operating lease rental revenue	1,230	1,169	1,346	1,169
Commission revenue:				
- Other non-related entities	13,712	10,180	6	120
Premium income	6,145	-	-	-
Maintenance fees	-	2,876	-	-
Government subsidies received	-	4,220	-	-
Sale of retirement village units/apartments	-	2,757	-	-
Trustees fees	2,382	6,327	-	-
Mortgage administration & loan fees	-	1,568	-	-
Total Operating Revenue	64,511	83,997	44,890	44,139

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
2. OPERATING PROFIT/(LOSS) (continued)				
Non-Operating Revenue				
Unrealised gains on investments	1,244	3	1,241	-
Unrealised gains on property	2,346	-	2,346	-
Movement in provision for capital appreciation	-	(230)	-	-
Deferred management fees	-	110	-	-
Proceeds from sale of property, plant & equipment	7	538	-	-
Other	1,750	1,429	68	710
Total Non-Operating Revenue	5,347	1,850	3,655	710
Total Revenue	69,858	85,847	48,545	44,849
Revenue from Company operations	48,545	43,446	48,545	44,849
Revenue from controlled entity operations	47,490	66,902	-	-
Adjustment on consolidation	(26,177)	(24,501)	-	-
Total Revenue	69,858	85,847	48,545	44,849
Expenses				
Interest:				
- Other non-related entities	32	10,999	19	15
	32	10,999	19	15
Net movement in provision for doubtful debts in respect of amounts receivable from:				
- Other non-related entities	288	37	-	-
	288	37	-	-
Depreciation of property, plant & equipment	821	1,158	435	691
Operating lease rental expenses:				
- Other non-related entities	3,230	3,485	2,465	2,482
Unrealised loss on investment in subsidiaries	-	-	4,449	-
Loss on disposal of property, plant & equipment	63	-	63	-
Unrealised losses on investments	79	28	-	28
Provisioning for surplus lease space	93	-	93	-
Net transfers to/(from) provisions:				
- Long service leave	(585)	136	(75)	230
- Annual leave	251	(87)	1,190	890
Share of joint venture company's operating loss after income tax (Note 7(e))	207	-	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
3. TAXATION				
Operating profit/(loss) before income tax and abnormal items	4,197	4,088	2,611	221
a. Prima facie income tax (expense)/benefit calculated at varying rates on operating profit/(loss)	1,297	(2,749)	-	-
Permanent differences				
Future income tax benefit not previously recognised now brought to account	-	369	-	-
Share of tax credits with benefit funds				
- relating to current year	4,558	2,447	4,558	2,475
- relating to prior year	5,243	4,890	5,243	4,890
Non-deductible expenditure	(21)	-	-	-
Under provision in prior years	(201)	116	-	-
Other	(4)	576	-	576
Net adjustment to future income tax benefit and deferred income tax to reflect the decrease in company tax rate to 34% / 30%	(96)	-	-	-
Income tax benefit attributable to operating profit	10,776	5,649	9,801	7,941

Adjustment to future income tax benefit and deferred income tax balances.

Legislation reducing the company tax rate from 36% to 34% in respect of the 2000-2001 income tax year and then to 30% for the 2001-2002 income tax year was announced on 21 September 1999 and received Royal Assent on 10 December 1999.

As a consequence, future income tax benefit and deferred income tax balances which are expected to reverse in the 2000-2001 or a later income tax year have been remeasured using the appropriate new rates, depending on the timing of their reversal.

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
b. Future income tax benefits carried forward comprise:				
Timing differences	720	343	-	-
Tax losses	1,929	-	-	-
	2,649	343	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
3. TAXATION (continued)				
c. Certain future income tax benefits have not been recognised as an asset: Attributable to timing differences, the benefits which are not assured beyond reasonable doubt at 34% / 30%	7,069	7,069	-	-
	7,069	7,069	-	-

The future income tax benefits will only be realised if:

- i. the IOOF Group derives assessable income of a nature and of sufficient amount to enable the benefit from the deductions to be realised;
- ii. the IOOF Group continues to comply with the conditions for deductibility imposed by the law; and
- iii. there is no change in legislation which would affect the IOOF Group's ability to realise the benefit.

Future benefits of tax losses have been brought to account where there is virtual certainty as to their recovery.

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
4. ABNORMAL ITEMS				
Write down of deferred acquisition costs (Note 1(n))	(6,301)	(5,797)	(4,777)	(5,797)
Provision for Year 2000 expenses	-	(331)	-	(331)
Major computer projects expensed	(780)	-	(780)	-
Debt forgiveness (Note 7(f))	(1,809)	-	(1,809)	-
Restructure expenses	(978)	(6,881)	(819)	(6,644)
Sale of securities	-	450	-	450
Diminution of value of non current receivables	(300)	-	-	-
Net legal settlements	(140)	1,692	-	1,787
Abnormal items before income tax	(10,308)	(10,867)	(8,185)	(10,535)
Applicable income tax	905	120	141	-
Abnormal items after income tax	(9,403)	(10,747)	(8,044)	(10,535)
5. EXTRAORDINARY ITEMS				
Profit from the sale of businesses	-	16,878	-	14,380
Less: Provision, expenses and adjustments	-	(1,352)	-	(552)
Extraordinary items before income tax	-	15,526	-	13,828
Applicable income tax	-	(515)	-	-
Extraordinary items after income tax	-	15,011	-	13,828

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
6. RECEIVABLES				
Current				
Receivables	5,796	4,679	1,739	1,042
Provision for doubtful debts	(231)	(348)	-	-
	5,565	4,331	1,739	1,042
Interest receivable	88	147	56	115
Interest receivable - Directors of controlled entities (Note 6(a))	7	-	-	-
Rent receivable	195	-	195	-
Amounts receivable from controlled entities	-	-	4,455	2,098
Amounts receivable from other related entities (Note 6(b))	5,777	3,322	5,264	1,923
Distributions receivable	612	-	500	-
Dividends receivable	154	-	154	-
	12,398	7,800	12,363	5,178
Non-Current				
Receivables	1,606	1,287	48	38
Provision for diminution	(300)	-	-	-
Provision for doubtful debts	(105)	-	-	-
	1,201	1,287	48	38
Loans to directors of controlled entities (Note 6(a))	140	-	-	-
Amounts receivable from controlled entities	-	-	941	1,941
	1,341	1,287	989	1,979
<p>a. Loans have been made to some directors of a controlled entity. All loans are made on normal commercial terms and conditions.</p> <p>b. Tax credits from Benefit Funds included (refer Note 3(a)).</p>				
7. INVESTMENTS				
Current				
Non-quoted securities (Note 7(c))				
Unlisted unit trusts - other related parties	23,109	-	7,400	-
	23,109	-	7,400	-
Non-Current				
Quoted securities				
Equity investments (Note 7(d))	18,204	16,650	18,204	16,650
Non-quoted securities (Note 7(b)(c))				
Regulatory deposits	80	60	-	-
Commonwealth bonds	20	-	-	-
Unlisted unit trusts	150	-	-	-
Investments in controlled entities (Note 7(a))	-	-	17,013	28,462
Investment in an associated entity (Note 7(e))	293	500	500	500
Shares in other corporations	16	16	-	-
Mortgage securities	871	872	871	834
Equity investment in member funds (Note 7(f))	7,192	9,000	7,192	9,000
	26,826	27,098	43,780	55,446
Total Investments	49,935	27,098	51,180	55,446
<p>a. Investments in controlled entities comprise: Investments at valuation</p>				
	-	-	17,013	28,462

Notes to the Financial Statements

for the financial year ended 30 June 2000

7. INVESTMENTS (continued)

- b. Included in non-current, non-quoted securities is an investment of \$100 (1999: \$100) in an associated company, Winchcombe Carson Review Pty Ltd. The IOOF Group holds a 50% interest in the ordinary shares of this company, which has been dormant since incorporation. Also included is an investment of \$6 (1999: \$nil) in an associated company, Sustainable Investment Research Institute Pty Ltd. The IOOF Group holds a 50% interest in the ordinary shares of this company.
- c. All non-quoted securities are valued as per the accounting policies described in Note 1.
- d. The equity investments have been valued at net market value as at 30 June 2000 according to APRA Prudential Rule No. 47 rule 13.
- e. The Company has a 50% interest in a joint venture company, Bendigo Investment Services Ltd, whose principal activity is to provide financial planning services. Bendigo Investment Services Ltd commenced operations from 1 August 1999. The carrying amount of the investment is \$293,401 (1999: \$500,000).

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000
Equity accounted investment in joint venture company:		
At beginning of financial year	500	500
Add share of operating loss after income tax	(207)	-
	293	500

- f. In June 1999, seed capital of \$9,000,000 was invested by the Company in the IOOF SuperSaver Capital Guaranteed Fund, the IOOF Capital Builder Bond Fund and the IOOF Superannuation Bond Fund. During the financial year a debt of \$1,808,514, being part of the \$9,000,000, was forgiven.

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
8. OTHER ASSETS				
Current				
Prepayments	312	442	241	442
Lease bond deposit	13	-	13	-
Deferred acquisition costs	1,459	1,572	1,459	1,212
	1,784	2,014	1,713	1,654
Non- Current				
Deferred acquisition costs	1,384	2,369	1,384	1,796
	1,384	2,369	1,384	1,796

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
9. PROPERTY, PLANT & EQUIPMENT				
Non-current				
Land and Buildings				
Freehold land				
At Directors' valuation (1998)	-	950	-	950
At Directors' valuation (2000) (Note 9(a))	2,250	-	2,250	-
At Cost	-	2,375	-	2,375
	2,250	3,325	2,250	3,325
Buildings				
At Directors' valuation (1998)	-	2,415	-	2,415
At Directors' valuation (2000) (Note 9(a))	7,763	-	7,763	-
At Cost	-	2,124	-	2,124
Accumulated depreciation	-	(107)	-	(107)
	7,763	4,432	7,763	4,432
Plant and Equipment				
Cost (Note 9(b))	10,919	16,567	8,216	15,376
Accumulated depreciation (Note 9(b))	(8,222)	(15,264)	(5,930)	(14,163)
	2,697	1,303	2,286	1,213
Total Property, Plant & Equipment	12,710	9,060	12,299	8,970
a. In the prior year, land and buildings comprised two separate properties, one of which was valued at cost and the other at a 1998 Directors' valuation. These have both been revalued consistent with Prudential Rule 47 to reflect the net market value.				
b. A physical asset review of plant and equipment of the Company was undertaken. This resulted in a number of assets being disposed with a loss of \$60,533 being incurred.				
10. ACCOUNTS PAYABLE				
Current				
Accounts payable	6,497	7,808	4,516	4,964
Interest payable	3	-	3	1
Amounts payable to related entities	214	-	367	2,037
	6,714	7,808	4,886	7,002
11. BORROWINGS				
Current				
Secured				
Bank overdraft	227	-	-	-
	227	-	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
12. PROVISIONS				
Current				
Provision for annual leave	1,772	1,519	1,313	1,337
Provision for long service leave	407	523	138	417
Provision for Director's retirement	86	-	86	-
Provision for income tax	595	6,924	-	-
Provision for surplus leased space	364	407	364	407
Provision for contributions in advance	2,246	-	-	-
Provision for outstanding claims	1,590	-	-	-
Provision for IT projects	246	-	246	-
Provision for restructure costs	-	1,097	-	1,097
Provision for Year 2000 costs	-	331	-	331
Other provisions	1,008	138	320	-
	8,314	10,939	2,467	3,589
Non-Current				
Provision for deferred income tax	1,611	1,076	917	115
Provision for long service leave	334	644	268	624
Provision for surplus leased space	170	483	170	483
Provision for Directors' retirement	257	198	257	198
Other provisions	1,038	1,454	42	500
	3,410	3,855	1,654	1,920
13. OTHER LIABILITIES				
Current				
Amounts due to other non-related entities	-	155	-	93
	-	155	-	93
14. RESERVES				
The movements in reserves during the year have been:				
Balance at beginning of financial year	13,035	4,310	17,611	4,310
Net transfer from/(to) profit and loss account	295	2,163	295	2,163
Revaluation of investment in controlled entities	-	-	-	11,139
Revaluation of non-current assets	-	6,563	-	-
Transfer from/(to) Members' Funds	(7)	(1)	(7)	(1)
Balance at end of financial year	13,323	13,035	17,899	17,611
15. OUTSIDE EQUITY INTERESTS				
Interest in:				
Share capital	145	-	-	-
Retained profits	7	8	-	-
	152	8	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
16. AUDITORS' REMUNERATION				
a. Auditing the financial statements				
i. PricewaterhouseCoopers	299	-	161	-
ii. Deloitte Touche Tohmatsu	148	622	24	365
iii. Other auditors	-	2	-	-
	447	624	185	365
b. Other services				
i. PricewaterhouseCoopers	306	-	-	-
ii. Deloitte Touche Tohmatsu	268	194	-	-
iii. Other auditors	42	-	-	-
	616	194	-	-

17. CONTINGENT LIABILITIES

The Company has guaranteed the member deposits and accrued bonuses of the IOOF Approved Deposit Fund, IOOF Management Investment Trust and OST Super Bond. No payment to support this capital guarantee has ever been required and none is expected.

The Company, jointly and severally with IOOF Community Villages Ltd, has given a warranty capped at \$3.75 million in relation to the sale of the Cumberland View Retirement Village and Nursing Home, the Riverwood Retirement Village and the Glendale Hostel. This warranty expires on 31 August 2001.

The Company has given a warranty capped at \$3 million in relation to the sale of the IOOF Building Society Ltd. This warranty expires on 30 September 2000.

IOOF Investment Management Ltd, a controlled entity within the IOOF Group, in its capacity as a sponsored holder in the CHESS system, has been issued a guarantee by Westpac Bank totalling \$250,000.

IOOF Investment Management Ltd, in its capacity as Responsible Entity of the IOOF Flexi-Trust, is obliged to make and maintain adequate arrangements to ensure that the Trust can comply with the buy-back covenants contained in the Flexi-Trust deed. The Company maintains sufficient liquidity in the Trust to meet all buy-back requests that would arise in the normal course of business. The value of unitholders' funds in the Flexi-Trust as at 30 June 2000 totalled \$209,618,875 (1999: \$248,312,660). Sufficient assets exist within the Trust to satisfy the obligation.

IOOF Investment Management Ltd, under a deed of arrangement dated 18 August 1999 with its controlled entity, Perennial Investment Partners Ltd, is obliged to make available funds to a maximum of \$21,965,000 less amounts already paid to date to Perennial Investment Partners Ltd over a 3 year period, to finance the latter's operating expenses. Under the terms of the agreement, the timing and amount of funds provided, will be determined by the controlled entity. As at 30 June 2000, the total maximum available to be drawn is \$17,314,727.

Perennial Investment Partners Ltd, under a deed of arrangement dated 4 February 2000 with its controlled entity, Perennial Value Management Ltd, is obliged to make available funds to a maximum of \$2,230,000 over a 3 year period to finance the latter's operating expenses. The timing of provision of such funds will be determined by Perennial Investment Partners Ltd. As at 30 June 2000, the total maximum available to be drawn is \$2,093,969.

Perennial Investment Partners Ltd is also obliged to procure the provision of funds for Perennial Value Management Ltd to manage, in amounts equal to 50% of the Australian Equities fund managed by the company in the years commencing 1 April 2003 and 1 April 2004. Alternatively, Perennial Investment Partners Ltd may choose to provide direct funding to Perennial Value Management Ltd equal to \$887,000 and \$889,000 for those years respectively, less any amounts of revenue received by Perennial Value Management Ltd from other sources.

Notes to the Financial Statements

for the financial year ended 30 June 2000

17. CONTINGENT LIABILITIES (continued)

Under a deed of arrangement dated 27 April 2000, Perennial Investment Partners Ltd is obliged to make available funds to a maximum of \$510,000 to Perennial Investment Partners Asia Limited, a director related entity, over a three year period. In accordance with the provisions of the deed, these funds will be provided by way of subscription of A Class shares, and the funds will be employed to finance Perennial Investment Partners Asia Ltd's operating expenses.

The IOOF Group does not have any other contingent liabilities or claims of a material nature which have not already been dealt with in these financial statements.

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
18. CAPITAL COMMITMENTS				
Aggregate capital expenditure contracted for at balance date but not provided for in the financial statements:				
Payable no later than 1 year	1,214	-	1,214	-
19. OTHER COMMITMENTS				
Non-cancellable operating lease commitments and hire expenditure payable:				
- not later than one year	3,289	2,683	2,902	2,366
- later than one year, not later than two years	2,284	2,068	1,897	1,795
- later than two years, not later than five years	3,158	1,590	2,528	790
- later than five years	-	67	-	-
	8,731	6,408	7,327	4,951

Included in the above are commitments in relation to surplus leased space which has been expensed during the current financial year (refer Note 2).

20. DIRECTORS' AND EXECUTIVES' REMUNERATION

Directors' Remuneration

The Directors of the Company during the financial year were:

Mr L A Bytheway	Dr N L Scheinkestel
Dr R N Sexton	Mr R J Schoer
Mr M U R Crivelli – Executive Director	Ms K D Spargo - appointed 30/08/1999
Mr D E Jury - retired 19/07/2000	Mr R J Turner - Managing Director
Mr M W Parkinson, C.B.E.	

Notes to the Financial Statements

for the financial year ended 30 June 2000

20. DIRECTORS' AND EXECUTIVES' REMUNERATION (continued)

Directors' Remuneration (continued)

	2000 \$'000	1999 \$'000
Directors of the Company (Group Board) as listed above		
Total of the fees paid and payable to Non-Executive Directors in respect of the management of the affairs of the Company.	354	331
Other benefits (superannuation and health insurance) paid and payable to Non-Executive Directors in respect of the management of the affairs of the Company.	32	34
Total remuneration paid and payable to Non-Executive Directors in respect of the management of the affairs of related parties, subsidiaries and their committees.	79	141
	465	506
Total remuneration paid and payable to Executive Directors in respect of the management of the affairs of the Company, related parties, subsidiaries and committees.	786	536
	1,251	1,042
Number of Executive Directors: 2 (1999: 2 for part of the year)		
Other Directors (Subsidiary Entities)		
Total remuneration paid and payable to Non-Executive Directors (other than Company Directors) in respect of the management of the affairs of related parties, subsidiaries and committees.	54	99
Total remuneration paid and payable to other Executive Directors in respect of the management of the affairs of related parties, subsidiaries and committees.	883	886
	2,188	2,027
Total retirement benefits paid and payable to Non-Executive Directors of the Company, by the Company or by any related party.	86	38
Total retirement benefits paid and payable to Non-Executive Directors of each entity in the economic entity, by the entities in which they are Directors or by any related party.	-	95

Number of Directors of the Company whose income from the Company or any related party was within the following bands (including salaries of executive Directors):

	2000 Number	1999 Number
\$ 20,000 - \$ 29,999	-	1
\$ 30,000 - \$ 39,999	2	1
\$ 50,000 - \$ 59,999	4	1
\$ 70,000 - \$ 79,999	-	2
\$ 80,000 - \$ 89,999	1	2
\$ 110,000 - \$ 119,999	-	1
\$ 240,000 - \$ 249,999	1	-
\$ 500,000 - \$ 509,999	-	1
\$ 540,000 - \$ 549,999	1	-
	9	9

Notes to the Financial Statements

for the financial year ended 30 June 2000

20. DIRECTORS' AND EXECUTIVES' REMUNERATION (continued)

Executives Remuneration

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	Company 2000 \$'000	Company 1999 \$'000
The aggregate remuneration of executive officers of the Company working in Australia and receiving \$100,000 or more from the Company or from any related entities including termination payments			5,369	3,841
The aggregate remuneration of executive officers of each entity in the Group working in Australia and receiving \$100,000 or more from the entity for which they are executive officers or from any related party including termination payments	8,312	5,665		

Number of executive officers of the Group whose remuneration falls within each successive \$10,000 band of income (commencing at \$100,000):

	2000 Number	1999 Number
\$ 100,000 - \$ 109,999	10	2
\$ 110,000 - \$ 119,999	2	1
\$ 120,000 - \$ 129,999	3	2
\$ 130,000 - \$ 139,999	4	3
\$ 140,000 - \$ 149,999	3	4
\$ 150,000 - \$ 159,999	8	6
\$ 160,000 - \$ 169,999	3	5
\$ 170,000 - \$ 179,999	3	2
\$ 180,000 - \$ 189,999	4	1
\$ 190,000 - \$ 199,999	2	2
\$ 220,000 - \$ 229,999	1	-
\$ 240,000 - \$ 249,999	1	-
\$ 260,000 - \$ 269,999	-	1
\$ 270,000 - \$ 279,999	1	-
\$ 300,000 - \$ 309,999	2	-
\$ 330,000 - \$ 339,999	-	1
\$ 340,000 - \$ 349,999	-	1
\$ 380,000 - \$ 389,999	1	-
\$ 500,000 - \$ 509,999	-	1
\$ 540,000 - \$ 549,999	1	-
	49	32

This schedule includes amounts paid as termination benefits to executives.

21. RELATED PARTIES

a. Identities of Related Parties

Controlled entities are detailed in Note 22.

Directors are detailed in Note 20.

Notes to the Financial Statements

for the financial year ended 30 June 2000

21. RELATED PARTIES (continued)

b. Wholly Owned Subsidiaries

The following related party transactions occurred during the year:

- Payment of management fees on normal terms and conditions.
- Provision of administrative services to and from controlled entities based on cost and/or agreed charges. Services include accounting, secretarial, payroll, taxation, group management, legal, computer, and investment management.
- Provision of office accommodation on normal terms and conditions.
- Reimbursement of expenses and disbursements made on behalf of controlled entities.
- Loan facilities made at market rates.
- Commission paid on normal terms and conditions.

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
c. Other Related Parties				
Investments in related party trusts:				
IOOF Wholesale Cash & Short Term Securities Fund (Company: 5,803,563 units)	19,650	-	6,125	-
IOOF Flexi Trust Cash & Income Fund (Company: nil units)	2,184	-	-	-
IOOF Flexi Trust International Equities Fund (Company: 1,106,521 units)	1,275	-	1,275	-
Mortgage Loans to Executive Directors of Controlled Entities:				
Repayments received during the financial year on loans to Directors within the IOOF Group	-	48	-	-
Unsecured Loans to Executive Directors of Controlled Entities:				
Unsecured loans, repayable at the option of the lender on normal terms and conditions	140	-	-	-
Interest revenue on loans referred to above	7	-	-	-

d. Other transactions entered into during the year with Directors and their Director-related entities

During the financial year, consulting services were provided to the IOOF Group by a Director-related entity. The entity, Beston Pacific Corporation Ltd, has Dr R N Sexton as a director. During the year, an amount of \$95,287 (1999: \$58,895) was paid for services provided by Beston Pacific Corporation Ltd. The services were provided in the normal course of business and on commercial terms and conditions.

During the financial year, fund management services were provided to the group by Perennial Investment Partners Asia Limited, a director related entity. Management fees from these services, which were provided in the normal course of business and on commercial terms and conditions amounted to \$24,737. The amount paid is to be offset against the \$510,000 shown in Note 17. The director concerned is Mr M U R Crivelli.

During the financial year, Mr M U R Crivelli, purchased ordinary shares in a controlled entity, Perennial Investment Partners Ltd. A loan of \$37,800 was provided by IOOF Investment Management Ltd to facilitate this purchase. The loan is on normal commercial terms and conditions.

Notes to the Financial Statements

for the financial year ended 30 June 2000

21. RELATED PARTIES (continued)

d. Other transactions entered into during the year with Directors and their Director-related entities (continued)

In May 2000, IOOF Ltd entered into an agreement to develop and part fund a new ethical investment research group, Sustainable Investment Research Institute Pty Ltd (SIRIS). A foundation shareholder of SIRIS is a relative of Mr L A Bytheway, a director of IOOF Ltd. At year end, IOOF held a 50% interest in SIRIS, for an investment of \$6, as shown in Note 7(b). A loan of \$9,994 was made to SIRIS on normal commercial terms and conditions.

Subsequent to year end, discussions with additional equity partners and investors are being concluded.

e. IOOF Ltd is the ultimate parent entity in the IOOF Group.

22. CONTROLLED ENTITIES

	Company's Equity Holding	
	2000 %	1999 %
Parent entity:		
IOOF Ltd		
Controlled entities:		
IOOF Community Villages Ltd	100.0	100.0
IOOF Retirement Services Pty Ltd	100.0	100.0
Winchcombe Carson Financial Planning Pty Ltd	100.0	100.0
IOOF Investment Management Ltd	100.0	100.0
IOOF Funds Management Ltd	100.0	100.0
Perennial Investment Partners Ltd	73.9	-
Perennial Value Management Ltd	55.4	-
Independent Order of Odd Fellows Pty Ltd	100.0	100.0
Security Management Services Pty Ltd	100.0	100.0
IOOF Australia Trustees (NSW) Ltd * **	100.0	100.0
Winchcombe Carson Trustee Co (Canberra) Ltd * **	100.0	100.0
IOOF Underwriting Agency Ltd	50.0	50.0
IOOF Australia Trustees Ltd * **	100.0	100.0
Bowman Manser & Associates Pty Ltd *	100.0	100.0
Bowman Manser Financial Planning Pty Ltd *	100.0	100.0
Bagots Executor & Trustee Company Ltd * **	100.0	100.0
Bagots Nominees Pty Ltd * **	100.0	100.0
Mandarin Centre Nominees Pty Ltd*	100.0	100.0

All companies are incorporated and carry on business in Australia.

* These controlled entities are audited by Deloitte Touche Tohmatsu.

**Subsequent to 30 June 2000 the company signed an agreement with Tower Trust Limited for the sale of these controlled entities.

a. Other controlled entities within the IOOF Group are:

	Share of Other Controlled Entities Results	
	2000 %	1999 %
Name of Entity		
IOOF Community Villages Friendly Society Ltd	-	100.0
IOOF Split Property Trust	90.9	90.9
IOOF Health Services Ltd	100.0	-

Notes to the Financial Statements

for the financial year ended 30 June 2000

22. CONTROLLED ENTITIES (continued)

- b. During the financial year, the Company subscribed \$6,500,000 of shares issued by IOOF Investment Management Ltd (1999: \$3,500,000). The purpose of the issue was to allow IOOF Investment Management Ltd to continue to meet its capital requirement as Single Responsible Entity under the Managed Investments Act.
- c. During the financial year, IOOF Investment Management Ltd subscribed \$100,000 of ordinary shares and \$400,000 of preference shares issued by Perennial Investment Partners Ltd. This is a newly formed company dealing in wholesale funds management.
- d. The investment in Perennial Value Management Ltd is through Perennial Investment Partners Ltd which directly holds 75% shareholdings in Perennial Value Management Ltd.
- e. The net assets of the IOOF Health Benefits Fund were transferred to the incorporated company, IOOF Health Services Ltd effective 1 January 2000.
- f. Security Management Services Pty Ltd has an interest of 90.9% by value in the issued units of the IOOF Split Property Trust (1999: 90.9%).
- g. IOOF Underwriting Agency Pty Ltd has been placed into Members' Voluntary Liquidation.
- h. IOOF Australia Trustees Ltd holds a direct interest in the issued share capital of Bowman Manser Financial Planning Pty Ltd of 50% (1999:50%). The remaining 50% (1999:50%) of the company's issued share capital is owned by Bowman Manser and Associates Pty Ltd (itself a controlled entity of IOOF Australia Trustees Ltd) in whose books the shares are recorded at the 1999 Directors' valuation, based on net assets of \$38,903 (1999:\$38,903). Bowman Manser and Associates Pty Ltd has been placed into Members' Voluntary Liquidation.
- i. During the financial year, IOOF Community Villages Ltd had a buy back of capital of \$13,500,000.
- j. On 1 January 2000, IOOF Community Villages Friendly Society Ltd transferred its' assets to IOOF Ltd. IOOF Community Villages Friendly Society Ltd is in the process of being deregistered.
- k. The company signed an agreement with Tower Trust Limited on 25 July 2000 for the sale of the operating controlled entities within the Trustees Group.

23. SEGMENT INFORMATION

- a. Revenue was derived by the following products and facilities
 - i. Financial Services - management of a range of financial products including single and multi-premium investments, superannuation, approved deposit funds, immediate and deferred annuities and investment trusts and portfolio administration services. The provision of independent financial planning and investment advisory services, life and disability insurance are also provided;
 - ii. Health Services - the provision of health insurance;
 - iii. Retirement Villages - operation of retirement villages, nursing homes and aged care hostels (Disposed of in 1998/99);
 - iv. Building Society - the provision of savings and mortgage loan facilities (Disposed of in 1998/99); and
 - v. Trustees Group - the provision of trustees, executors, attorneys, agents, investment and other fiduciary services (Disposed of in 2000/01).
- b. The IOOF Group operates in one geographic area, Australia.

Notes to the Financial Statements

for the financial year ended 30 June 2000

23. SEGMENT INFORMATION (continued)

	Financial Services \$'000	Health Services \$'000	Retirement Villages \$'000 (i)	Building Society \$'000 (ii)	Trustees Group \$'000	IOOF GROUP \$'000
c. Segment Information - 2000						
Revenue						
Management fee income	37,072	-	-	-	-	37,072
Investment income	3,461	217	-	-	290	3,968
Commission income	10,854	50	-	-	2,808	13,712
Property income	1,211	-	-	-	19	1,230
Premium income	-	6,145	-	-	-	6,145
Other income	3,741	1,305	-	-	2,685	7,731
	56,339	7,717	-	-	5,802	69,858
Segment operating profit before income tax and abnormal items	2,347	951	-	-	899	4,197
Segment Total Assets	99,422	9,258	-	-	2,410	111,090
d. Segment Information - 1999						
Revenue						
Management fee income	34,053	-	-	-	-	34,053
Investment income	1,898	-	396	19,867	256	22,417
Commission income	10,112	-	-	68	6,282	16,462
Property income	1,169	-	2,757	121	-	4,047
Other income	731	-	7,413	295	429	8,868
	47,963	-	10,566	20,351	6,967	85,847
Segment operating profit/(loss) before income tax and abnormal items	(1,046)	-	2,357	1,540	1,237	4,088
Segment Total Assets	71,877	-	23,858	-	10,027	105,762

Comparative figures have been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(i) IOOF Community Villages Ltd disposed of its retirement villages operations on 20 June 1999.

(ii) The Building Society business was disposed of on 31 March 1999.

Notes to the Financial Statements

for the financial year ended 30 June 2000

	IOOF GROUP 2000 \$'000	IOOF GROUP 1999 \$'000	COMPANY 2000 \$'000	COMPANY 1999 \$'000
24. NOTES TO THE STATEMENTS OF CASH FLOWS				
a. Reconciliation of cash				
For the purpose of the statements of cash flows, cash includes cash on hand and in banks, deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:				
Deposits on call	20,482	52,786	15,689	-
Short term bank bonds	167	565	-	-
Cash	8,240	2,482	662	19,594
	28,889	55,833	16,351	19,594
Units in IOOF Wholesale Cash & Short Term Securities Trust	19,650	-	6,125	-
Units in IOOF Flexi Cash & Income Fund	2,184	-	-	-
Bank overdraft	(227)	-	-	-
	50,496	55,833	22,476	19,594
b. Reconciliation of net cash provided by/(used in) operating activities to operating profit after income tax				
Operating profit after tax	5,570	14,001	4,368	11,456
(Profit)/loss on disposal of non-current assets	57	(174)	63	-
(Profit)/loss on disposal of businesses	-	(16,878)	-	(14,380)
Share of loss in associated investment	207	-	-	-
Net revaluation of investments	(1,290)	(181)	3,209	-
Net revaluation of non-current assets	(2,346)	-	(2,346)	-
Depreciation of non-current assets	821	1,159	435	691
Write off of bad debts	2	104	-	-
Increase/(decrease) in income tax payable	(6,255)	7,708	-	1,604
Increase/(decrease) in deferred income tax payable	417	(6,181)	802	115
(Increase)/decrease in future income tax benefit	(2,386)	796	-	90
(Increase)/decrease in income tax benefit	(2,818)	-	(2,818)	-
Changes in net operating assets and liabilities:				
(Increase)/decrease in current receivables	(2,449)	(849)	(4,367)	816
(Increase)/decrease in current inventories	-	16	-	-
(Increase)/decrease in other current assets	230	(510)	(59)	152
(Increase)/decrease in non-current receivables	1,239	(70)	-	-
(Increase)/decrease in other non-current assets	985	588	412	1,343
Increase/(decrease) in current accounts payable	(1,327)	706	(2,116)	(2,874)
Increase/(decrease) in current provisions	(468)	753	(1,122)	1,492
Increase/(decrease) in other current liabilities	(93)	-	(93)	93
Increase/(decrease) in non-current provisions	(937)	(49)	(1,068)	517
Increase/(decrease) in other non-current liabilities	-	(435)	-	-
Net cash provided by/(used in) operating activities	(10,841)	504	(4,700)	1,115
c. Cash flows relating to investment securities				
New investments	(7,720)	(500)	(1,625)	(500)
Redemption of investments	6,124	800	-	-
	(1,596)	300	(1,625)	(500)

Notes to the Financial Statements

for the financial year ended 30 June 2000

25. FINANCIAL INSTRUMENTS

a. Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

b. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the balance sheet, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

c. Interest Rate Risk

The following table details the Group's exposure to interest rate risk as at the reporting date:

2000	Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate		Non-interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000		
Financial Assets						
Cash & cash equivalents	5.590	28,889	-	-	-	28,889
Units in IOOF Wholesale & Flexi Trusts (i)	-	-	-	-	23,109	23,109
Receivables	-	-	-	-	13,612	13,612
Loans to directors	6.645	140	-	-	-	140
Mortgages	7.000	-	-	223	648	871
Investments in other corporations	-	-	-	-	166	166
Ordinary shares	-	-	-	-	18,204	18,204
Equity investment in member funds (ii)	-	-	-	-	7,192	7,192
Income tax benefit	-	-	-	-	(595)	(595)
		29,029	-	223	62,336	91,588
Financial Liabilities						
Bank overdraft	9.250	227	-	-	-	227
Accounts payable	-	-	-	-	6,714	6,714
Provisions	-	-	-	-	2,378	2,378
		227	-	-	9,092	9,319
Net Financial Assets		28,802	-	223	53,244	82,269

(i) These investments are priced daily and gains or losses on investments are reflected as movements in market value.

(ii) The equity investment in member funds is subject to an interim non guaranteed bonus rate.

Notes to the Financial Statements

for the financial year ended 30 June 2000

25. FINANCIAL INSTRUMENTS (continued)

c. Interest Rate Risk (continued)

1999	Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate		Non-interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000		
Financial Assets						
Cash & cash equivalents	4.596	55,833	-	-	-	55,833
Receivables	-	-	-	-	9,087	9,087
Mortgages	7.936	-	-	382	490	872
Investments in other corporations	-	-	-	-	516	516
Ordinary shares	-	-	-	-	16,650	16,650
Equity investment in member funds (i)	-	-	-	-	9,000	9,000
		55,833	-	382	35,743	91,958
Financial Liabilities						
Accounts payable	-	-	-	-	7,963	7,963
Provisions	-	-	-	-	3,020	3,020
Provision for income tax	-	-	-	-	6,924	6,924
		-	-	-	17,907	17,907
Net Financial Assets		55,833	-	382	17,836	74,051

i) The equity investment in member funds is subject to an interim non guaranteed bonus rate.

Reconciliation of Net Financial Assets to Net Assets

	2000 \$'000	1999 \$'000
Net financial assets as above	82,269	74,051
Non financial assets and liabilities:		
Regulatory deposits	100	60
Investment in associated company	293	-
Provision for contributions in advance	(2,246)	-
Provision for outstanding claims	(1,590)	-
Deferred acquisition costs	2,843	3,941
Prepayments	312	442
Property, plant & equipment	12,710	9,060
Future income tax benefits	2,649	301
Provision for leave entitlements	(2,513)	(2,686)
Provision for surplus leased space	(534)	(890)
Provision for Directors' retirement	(257)	(198)
Provision for deferred income tax	(1,611)	(1,076)
Net assets per Balance Sheet	92,425	83,005

Notes to the Financial Statements

for the financial year ended 30 June 2000

25. FINANCIAL INSTRUMENTS (continued)

d. Net Fair Value

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 disclosed in Note 1 to the financial statements.

26. TOTAL ASSETS UNDER MANAGEMENT AND ADMINISTRATION

In accordance with statutory requirements, each member fund is distinct and separate and accordingly, retained profits held in each member fund are not available for distribution to other members in the IOOF Group.

In addition to the assets controlled by the IOOF Group as reported in the consolidated financial statements, IOOF Group also manages other assets on behalf of other parties. Total assets under management and administration, not forming part of the financial statements, after eliminating appropriate inter-entity transactions and balances, are as follows:

	2000 \$'000	1999 \$'000
Assets under management per statutory balance sheet (Note 26(a) & (c))	1,329,392	1,481,907
Unit Trusts & Other Managed Funds (Note 26(b) & (d))	463,167	341,249
Superannuation Master Fund	515,159	326,572
Estate administration	55,635	70,086
Portfolio management	137,484	155,129
	2,500,837	2,374,943
Corporate Trustees assets under administration	2,029,200	3,350,200
Total Assets under Management and Administration	4,530,037	5,725,143

The assets under management and administration detailed above do not include funds under advice relating to the Group's financial planning business.

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(a) BENEFIT FUNDS - ALLOCATED SURPLUS - 2000

	Value of Benefit Entitlements 01/07/99 \$'000	Mergers of Benefit Funds \$'000	Liability Component of Contributions \$'000	Withdrawals \$'000	Service Fees, Stamp Duties & Expenses \$'000
Health Benefits Fund	-	-	-	-	-
HEALTH INSURANCE FUND	-	-	-	-	-
Supersaver - Capital Guaranteed Fund	721,981	-	9,145	(152,326)	(139)
Supersaver - Fixed Interest Fund	69,380	-	2,978	(17,684)	(39)
Supersaver - Australian Equities Fund	50,875	-	34,491	(6,563)	(53)
Supersaver - Capital Stable Fund	53,130	-	10,463	(14,946)	(93)
Supersaver - Balanced Fund	124,366	-	35,633	(20,380)	(146)
Supersaver - Mortgage Fund	4,281	-	3	(1,041)	(1)
Supersaver - Protection and Disability Fund	-	-	-	-	-
BT Investment Bond	236,178	-	326	(50,627)	-
Estate Essentials Bond	73,689	-	2,035	(3,504)	(127)
Capital Builder Bond	26,174	-	97	(6,930)	(5)
FLEXIBLE INSURANCE BENEFIT FUNDS	1,360,054	-	95,171	(274,001)	(603)
Consolidated Assurance Fund	1,327	-	-	(110)	-
Combined Assurance Fund	2,434	-	-	(245)	-
OST Assurance Benefit Fund	484	-	-	-	-
LIFE ASSURANCE BENEFIT FUNDS	4,245	-	-	(355)	-
Deferred Annuity - Capital Guaranteed Fund	26,992	-	200	(7,738)	(14)
Deferred Annuity - Managed Fund	45,883	-	5,484	(8,476)	(101)
Deferred Annuity - Capital Stable Fund	11,281	-	330	(4,328)	(27)
Deferred Annuity - Cash Management Fund	2,168	-	1,889	(2,598)	(6)
Guaranteed Personal Income Plan Fund	1,668	-	-	(363)	-
IOOF Term Annuity Fund	5,868	-	-	(1,701)	-
DEFERRED & IMMEDIATE ANNUITY FUNDS	93,860	-	7,903	(25,204)	(148)
Superannuation Fund	6,572	-	234	(1,267)	(12)
SUPERANNUATION FUNDS	6,572	-	234	(1,267)	(12)
TOTAL MEMBERS' FUNDS	1,464,731	-	103,308	(300,827)	(763)

Allocation of Surplus \$'000	Member Liability Revaluation \$'000	Value of Benefit Entitlements 30/06/00 \$'000
-	-	-
-	-	-
18,921	-	597,582
1,498	-	56,133
6,574	-	85,324
2,292	-	50,846
8,471	-	147,944
124	-	3,366
-	-	-
407	-	186,284
2,917	-	75,010
882	-	20,218
42,086	-	1,222,707
-	-	1,217
-	-	2,189
-	-	484
-	-	3,890
983	-	20,423
3,411	-	46,201
530	-	7,786
62	-	1,515
62	-	1,367
-	228	4,395
5,048	228	81,687
192	-	5,719
192	-	5,719
47,326	228	1,314,003

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(a) BENEFIT FUNDS - PROFIT & LOSS ACCOUNTS - 2000

	Unallocated Surplus 01/07/99	Net Investment Income	Revenue Component of Contributions	Other Income	Fees to Management Fund	Claims Expense	Member Liability Revaluation
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Health Benefits Fund *	2,954	210	5,902	-	(700)	(4,080)	-
HEALTH INSURANCE FUND	2,954	210	5,902	-	(700)	(4,080)	-
Supersaver - Capital Guaranteed Fund	1,762	35,794	53	-	(10,180)	-	-
Supersaver - Fixed Interest Fund	-	3,415	4	1	(948)	-	-
Supersaver - Australian Equities Fund	-	10,062	39	182	(1,140)	-	-
Supersaver - Capital Stable Fund	-	4,099	17	100	(806)	-	-
Supersaver - Balanced Fund	-	13,990	49	311	(2,194)	-	-
Supersaver - Mortgage Fund	-	228	-	-	(57)	-	-
Supersaver - Protection and Disability Fund	-	1	-	-	(1)	-	-
BT Investment Bond	2,685	11,480	13	-	(3,294)	-	-
Estate Essentials Bond	-	4,023	3	-	(1,098)	-	-
Capital Builder Bond	15	1,230	1	-	(355)	-	-
FLEXIBLE INSURANCE BENEFIT FUNDS	4,462	84,322	179	594	(20,073)	-	-
Consolidated Assurance Fund	5	67	-	-	-	-	-
Combined Assurance Fund	118	127	-	-	-	-	-
OST Assurance Benefit Fund	58	29	-	-	-	-	-
		-					
LIFE ASSURANCE BENEFIT FUNDS	181	223	-	-	-	-	-
Deferred Annuity - Capital Guaranteed Fund	428	1,277	1	-	(363)	-	-
Deferred Annuity - Managed Fund	-	4,487	1	-	(713)	-	-
Deferred Annuity - Capital Stable Fund	-	741	-	-	(143)	-	-
Deferred Annuity - Cash Management Fund	-	103	-	-	(24)	-	-
Guaranteed Personal Income Plan Fund	151	88	-	-	(25)	-	-
IOOF Term Annuity Fund	-	-	-	-	-	-	-
DEFERRED & IMMEDIATE ANNUITY FUNDS	579	6,696	2	-	(1,268)	-	-
Superannuation Fund	-	330	9	-	(103)	-	-
SUPERANNUATION FUNDS	-	330	9	-	(103)	-	-
TOTAL MEMBERS' FUNDS	8,176	91,781	6,092	594	(22,144)	(4,080)	-

* Represents transfer of net assets to IOOF Health Services Ltd on 1 January 2000.

Other Expenses	Income Tax Expense	Profit/loss after income tax	Surplus Allocated to Members	Transfers from Seed Capital	Transfers (to)/from Management Fund	Unallocated Surplus 30/06/00	Management Fund Seed Capital	Total Member Funds(Benefit Entitlements plus Unallocated Suplus)
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(574)	-	758	-	-	(3,712)	-	-	-
(574)	-	758	-	-	(3,712)	-	-	-
(305)	(10,012)	15,350	(18,921)	1,809	-	-	6,617	604,199
(16)	(958)	1,498	(1,498)	-	-	-	-	56,133
(34)	(2,535)	6,574	(6,574)	-	-	-	-	85,324
(17)	(1,101)	2,292	(2,292)	-	-	-	-	50,846
(42)	(3,643)	8,471	(8,471)	-	-	-	-	147,944
(2)	(45)	124	(124)	-	-	-	-	3,366
-	-	-	-	-	-	-	-	-
(41)	(2,926)	5,232	(407)	-	-	7,510	-	193,794
(11)	-	2,917	(2,917)	-	-	-	-	75,010
(9)	-	867	(882)	-	-	-	475	20,693
(477)	(21,220)	43,325	(42,086)	1,809	-	7,510	7,092	1,237,309
-	(19)	48	-	-	-	53	-	1,270
(1)	(35)	91	-	-	-	209	-	2,398
-	(7)	22	-	-	-	80	-	564
(1)	(61)	161	-	-	-	342	-	4,232
(12)	(154)	749	(983)	-	-	194	-	20,617
(25)	(339)	3,411	(3,411)	-	-	-	-	46,201
(6)	(62)	530	(530)	-	-	-	-	7,786
(5)	(12)	62	(62)	-	-	-	-	1,515
(1)	-	62	(62)	-	-	151	-	1,518
-	-	-	-	-	-	-	-	4,395
(49)	(567)	4,814	(5,048)	-	-	345	-	82,032
(4)	(40)	192	(192)	-	-	-	100	5,819
(4)	(40)	192	(192)	-	-	-	100	5,819
(1,105)	(21,888)	49,250	(47,326)	1,809	(3,712)	8,197	7,192	1,329,392

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(a) BENEFIT FUNDS - BALANCE SHEETS - 2000

	Cash & Cash Equivalents \$'000	Receivables \$'000	Securities \$'000	Loans & Advances \$'000	Other Investments \$'000	Other Assets \$'000	Total Assets \$'000
Health Benefits Fund	-	-	-	-	-	-	-
HEALTH INSURANCE FUND	-	-	-	-	-	-	-
Supersaver - Capital Guaranteed Fund	8,498	4,676	572,070	25,215	(40)	261	610,680
Supersaver - Fixed Interest Fund	1,591	502	52,284	2,389	(15)	-	56,751
Supersaver - Australian Equities Fund	216	1,560	87,461	173	-	-	89,410
Supersaver - Capital Stable Fund	212	1,035	50,037	709	(1)	-	51,992
Supersaver - Balanced Fund	1,090	4,332	145,766	383	(8)	-	151,563
Supersaver - Mortgage Fund	279	12	1,653	1,460	-	-	3,404
Supersaver - Protection and Disability Fund	6	39	-	-	-	-	45
BT Investment Bond	81,423	1,540	112,878	-	20	-	195,861
Estate Essentials Bond	1,437	488	73,203	-	(23)	-	75,105
Capital Builder Bond	672	143	19,913	-	(9)	-	20,719
FLEXIBLE INSURANCE BENEFIT FUNDS	95,424	14,327	1,115,265	30,329	(76)	261	1,255,530
Consolidated Assurance Fund	1,270	8	-	-	-	-	1,278
Combined Assurance Fund	2,394	45	-	-	-	-	2,439
OST Assurance Benefit Fund	582	20	-	-	-	-	602
LIFE ASSURANCE BENEFIT FUNDS	4,246	73	-	-	-	-	4,319
Deferred Annuity - Capital Guaranteed Fund	591	137	20,026	-	(6)	7	20,755
Deferred Annuity - Managed Fund	1,072	383	45,497	-	27	-	46,979
Deferred Annuity - Capital Stable Fund	1,725	65	6,100	-	2	-	7,892
Deferred Annuity - Cash Management Fund	185	5	1,337	-	-	-	1,527
Guaranteed Personal Income Plan Fund	606	12	900	-	2	-	1,520
IOOF Term Annuity Fund	-	-	4,429	-	-	-	4,429
DEFERRED & IMMEDIATE ANNUITY FUNDS	4,179	602	78,289	-	25	7	83,102
Superannuation Fund	908	79	4,869	-	(2)	-	5,854
SUPERANNUATION FUNDS	908	79	4,869	-	(2)	-	5,854
TOTAL MEMBERS' FUNDS	104,757	15,081	1,198,423	30,329	(53)	268	1,348,805

Liabilities \$'000	Net Assets \$'000	Members' Balances \$'000	Unallocated Surplus \$'000	Management Fund Seed Capital \$'000	Members' Funds \$'000
-	-	-	-	-	-
-	-	-	-	-	-
(6,481)	604,199	597,582	-	6,617	604,199
(618)	56,133	56,133	-	-	56,133
(4,086)	85,324	85,324	-	-	85,324
(1,146)	50,846	50,846	-	-	50,846
(3,619)	147,944	147,944	-	-	147,944
(38)	3,366	3,366	-	-	3,366
(45)	-	-	-	-	-
(2,067)	193,794	186,284	7,510	-	193,794
(95)	75,010	75,010	-	-	75,010
(26)	20,693	20,218	-	475	20,693
(18,221)	1,237,309	1,222,707	7,510	7,092	1,237,309
(8)	1,270	1,217	53	-	1,270
(41)	2,398	2,189	209	-	2,398
(38)	564	484	80	-	564
(87)	4,232	3,890	342	-	4,232
(138)	20,617	20,423	194	-	20,617
(778)	46,201	46,201	-	-	46,201
(106)	7,786	7,786	-	-	7,786
(12)	1,515	1,515	-	-	1,515
(2)	1,518	1,367	151	-	1,518
(34)	4,395	4,395	-	-	4,395
(1,070)	82,032	81,687	345	-	82,032
(35)	5,819	5,719	-	100	5,819
(35)	5,819	5,719	-	100	5,819
(19,413)	1,329,392	1,314,003	8,197	7,192	1,329,392

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(b). OTHER MANAGED FUNDS - ALLOCATED SURPLUS 2000

	Value of Benefit Entitlements 01/07/99 \$'000	Liability Component of Contributions \$'000	Withdrawals \$'000	Service Fees, Stamp Duties & expenses \$'000
IOOF Split Property Trust	126	-	-	-
Management Investment Trust Fund	1,083	-	(509)	-
Flexi Trust - Cash & Income Fund	20,652	8,498	(6,515)	-
Flexi Trust - Fixed Interest Fund Fee Option 1	16,815	1,477	(12,147)	(2)
Flexi Trust - Fixed Interest Fund Fee Option 2	-	52	-	-
Flexi Trust - Australian Equities Fund Fee Option 1	26,816	2,973	(6,030)	(27)
Flexi Trust - Australian Equities Fund Fee Option 2	-	935	(23)	(1)
Flexi Trust - Australian Property Securities Fund Fee Option 1	3,945	127	(1,027)	(1)
Flexi Trust - Australian Property Securities Fund Fee Option 2	-	15	-	-
Flexi Trust - Mortgage Fund	132,173	11,387	(49,179)	(14)
Flexi Trust - International Equities Fund Fee Option 1	8,136	2,789	(7,609)	(16)
Flexi Trust - International Equities Fund Fee Option 2	-	324	(6)	-
Flexi Trust - Balanced Fund Fee Option 1	37,297	18,124	(9,782)	(103)
Flexi Trust - Balanced Fund Fee Option 2	-	7,220	(288)	(9)
Wholesale Umbrella Trust Australian Equities	22,944	100,951	(9,075)	-
Wholesale Umbrella Trust International Equities	10,402	76,552	(18,295)	-
Wholesale Umbrella Trust Fixed Interest	20,193	106,088	(25,815)	-
Wholesale Umbrella Trust Property	6,704	9,097	(4,257)	-
Wholesale Umbrella Trust Cash & Short Term Securities	29,854	125,111	(66,879)	-
Wholesale Umbrella Trust Inflation Indexed	3,477	13,196	(2,132)	-
Wholesale Umbrella Trust Capital Stable	-	2,100	(25)	-
Wholesale Umbrella Trust Balanced	-	6,377	(227)	-
PST Balanced	30,942	17,887	(8,313)	-
PST Tax Exempt Balanced	14,039	12,229	(3,048)	-
PST Capital Stable	13,428	4,232	(5,205)	-
PST Tax Exempt Capital Stable	11,713	2,734	(4,739)	-
PST Australian Equities	3,878	3,073	(1,251)	-
PST Tax Exempt Australian Equities	44	1,807	(145)	-
PST International Equities	1,194	7,416	(614)	-
PST Tax Exempt International Equities	32	2,758	(174)	-
PST Fixed Interest	2,166	803	(1,264)	-
PST Tax Exempt Fixed Interest	4	326	(82)	-
PST Cash & Short Term Securities	12,913	46,157	(44,317)	-
PST Tax Exempt Cash & Short Term Securities	7,236	5,944	(5,692)	-
PST Property	1,028	525	(490)	-
PST Tax Exempt Property	17	428	(87)	-
Adjustment on Consolidation	(228,194)	(379,438)	141,203	-
TRUSTS	211,057	220,274	(154,038)	(173)
Approved Deposit Fund	37,130	83	(8,213)	(1)
Approved Deposit Fund - Managed	6,383	422	(905)	(1)
APPROVED DEPOSIT FUNDS	43,513	505	(9,118)	(2)
OST Superannuation - Capital Guaranteed Fund	5,092	-	(1,302)	-
OST Superannuation - Capital Stable Fund	485	-	(52)	43
SUPERANNUATION FUNDS	5,577	-	(1,354)	43
Common Fund No1	34,358	-	(8,793)	-
Common Fund No2	18,221	-	(4,007)	-
Common Fund No7	3,437	-	(237)	-
Common Fund No10	-	-	-	-
Common Fund No14	18,374	-	(5,037)	-
COMMON FUNDS	74,390	-	(18,074)	-
TOTAL OTHER MANAGED FUNDS (MEMBERS')	334,537	220,779	(182,584)	(132)

Allocation of Surplus	Value of Benefit Entitlements
\$'000	30/06/00 \$'000
3	129
17	591
-	22,635
-	6,143
-	52
-	23,732
-	911
-	3,044
-	15
-	94,367
-	3,300
-	318
-	45,536
-	6,923
-	114,820
-	68,659
-	100,466
-	11,544
-	88,086
-	14,541
-	2,075
-	6,150
3,735	44,251
2,187	25,407
946	13,401
888	10,596
579	6,279
132	1,838
177	8,173
31	2,647
111	1,816
14	262
698	15,451
397	7,885
99	1,162
22	380
67,010	(399,419)
77,046	354,166
966	29,965
373	6,272
1,339	36,237
152	3,942
-	476
152	4,418
-	25,565
-	14,214
-	3,200
-	-
-	13,337
-	56,316
78,537	451,137

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(b). OTHER MANAGED FUNDS - PROFIT & LOSS ACCOUNTS 2000

	Unallocated Surplus 01/07/99	Net Investment Income	Revenue Component of Contributions	Other Income	Fees to Management Fund
	\$'000	\$'000	\$'000	\$'000	\$'000
IOOF Split Property Trust	-	6	-	-	(1)
Management Investment Trust Fund	-	38	-	-	(13)
Flexi Trust - Cash & Income Fund	-	1,215	-	-	(194)
Flexi Trust - Fixed Interest Fund Fee Option 1	(320)	635	-	-	(111)
Flexi Trust - Fixed Interest Fund Fee Option 2	-	1	-	-	(1)
Flexi Trust - Australian Equities Fund Fee Option 1	3,735	4,090	-	5	(438)
Flexi Trust - Australian Equities Fund Fee Option 2	-	77	-	3	(11)
Flexi Trust - Australian Property Securities Fund Fee Option 1	(223)	375	-	-	(54)
Flexi Trust - Australian Property Securities Fund Fee Option 2	-	1	-	-	-
Flexi Trust - Mortgage Fund	(25)	6,837	-	115	(1,326)
Flexi Trust - International Equities Fund Fee Option 1	130	777	-	22	(96)
Flexi Trust - International Equities Fund Fee Option 2	-	32	-	2	(6)
Flexi Trust - Balanced Fund Fee Option 1	(818)	4,654	-	460	(693)
Flexi Trust - Balanced Fund Fee Option 2	-	453	-	23	(91)
Wholesale Umbrella Trust Australian Equities	2,636	11,057	-	-	(428)
Wholesale Umbrella Trust International Equities	295	4,966	-	-	(354)
Wholesale Umbrella Trust Fixed Interest	(443)	5,413	-	-	(292)
Wholesale Umbrella Trust Property	(274)	967	-	-	(49)
Wholesale Umbrella Trust Cash & Short Term Securities	(34)	3,800	-	-	(230)
Wholesale Umbrella Trust Inflation Indexed Securities	(39)	1,097	-	-	(42)
Wholesale Umbrella Trust Capital Stable	-	97	-	4	(5)
Wholesale Umbrella Trust Balanced	-	358	-	16	(15)
PST Balanced	-	4,156	-	218	(226)
PST Tax Exempt Balanced	-	2,192	-	129	(116)
PST Capital Stable	-	1,079	-	64	(75)
PST Tax Exempt Capital Stable	-	900	-	63	(61)
PST Australian Equities	-	623	-	29	(33)
PST Tax Exempt Australian Equities	-	132	-	5	(4)
PST International Equities	-	197	-	29	(26)
PST Tax Exempt International Equities	-	30	-	9	(6)
PST Fixed Interest	-	131	-	8	(8)
PST Tax Exempt Fixed Interest	-	15	-	-	-
PST Cash & Short Term Securities	-	865	-	55	(56)
PST Tax Exempt Cash & Short Term Securities	-	401	-	36	(26)
PST Property	-	116	-	7	(7)
PST Tax Exempt Property	-	22	-	2	(1)
Adjustment on Consolidation	-	(21,846)	-	-	-
TRUSTS	4,620	35,959	-	1,304	(5,095)
Approved Deposit Fund	-	1,799	-	-	(541)
Approved Deposit Fund - Managed	-	473	-	12	(95)
APPROVED DEPOSIT FUNDS	-	2,272	-	12	(636)
OST Superannuation - Capital Guaranteed Fund	-	239	10	-	(69)
OST Superannuation - Capital Stable Fund	-	35	18	1	(8)
SUPERANNUATION FUNDS	-	274	28	1	(77)
Common Fund No1	-	1,708	-	-	(290)
Common Fund No2	-	1,057	-	-	(166)
Common Fund No7	2,092	218	-	-	(53)
Common Fund No10	-	-	-	-	-
Common Fund No14	-	1,124	-	-	(163)
COMMON FUNDS	2,092	4,107	-	-	(672)
TOTAL OTHER MANAGED FUNDS (MEMBERS')	6,712	42,612	28	1,317	(6,480)

Other Expenses	Income Tax Expense	Profit /Loss after income tax	Surplus Allocated to Members	Unallocated Surplus 30/06/00	Total Member Funds (Benefit Entitlements plus Unallocated Surplus)
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(2)	-	3	(3)	-	129
(8)	-	17	(17)	-	591
(22)	-	999	(999)	-	22,635
(23)	-	501	(274)	(93)	6,050
-	-	-	1	1	53
(33)	-	3,624	(4,164)	3,195	26,927
(1)	-	68	(31)	37	948
(3)	-	318	(191)	(96)	2,948
-	-	1	(1)	-	15
(301)	-	5,325	(5,296)	4	94,371
(20)	-	683	(1,031)	(218)	3,082
-	-	28	(26)	2	320
(40)	-	4,381	(3,817)	(254)	45,282
(6)	-	379	(315)	64	6,987
(159)	-	10,470	(5,443)	7,663	122,483
(187)	-	4,425	(5,989)	(1,269)	67,390
(86)	-	5,035	(3,924)	668	101,134
(15)	-	903	(510)	119	11,663
(120)	-	3,450	(3,550)	(134)	87,952
(10)	-	1,045	(587)	419	14,960
(2)	-	94	(78)	16	2,091
(4)	-	355	(303)	52	6,202
(36)	(377)	3,735	(3,735)	-	44,251
(18)	-	2,187	(2,187)	-	25,407
(16)	(106)	946	(946)	-	13,401
(14)	-	888	(888)	-	10,596
(5)	(35)	579	(579)	-	6,279
(1)	-	132	(132)	-	1,838
(6)	(17)	177	(177)	-	8,173
(2)	-	31	(31)	-	2,647
(4)	(16)	111	(111)	-	1,816
(1)	-	14	(14)	-	262
(79)	(87)	698	(698)	-	15,451
(14)	-	397	(397)	-	7,885
(2)	(15)	99	(99)	-	1,162
(1)	-	22	(22)	-	380
-	-	(21,846)	21,846	-	(399,419)
(1,241)	(653)	30,274	(24,718)	10,176	364,342
(111)	(181)	966	(966)	-	29,965
(10)	(7)	373	(373)	-	6,272
(121)	(188)	1,339	(1,339)	-	36,237
(6)	(22)	152	(152)	-	3,942
(1)	(2)	43	(43)	-	476
(7)	(24)	195	(195)	-	4,418
(7)	-	1,411	(1,411)	-	25,565
148	-	1,039	(1,039)	-	14,214
(28)	-	137	(375)	1,854	5,054
-	-	-	-	-	-
(53)	-	908	(908)	-	13,337
60	-	3,495	(3,733)	1,854	58,170
(1,309)	(865)	35,303	(29,985)	12,030	463,167

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(b). OTHER MANAGED FUNDS - BALANCE SHEETS 2000

	Cash & Cash Equivalents \$'000	Receivables \$'000	Securities \$'000	Loans & Advances \$'000	Other Assets \$'000
IOOF Split Property Trust	130	1	-	-	-
Management Investment Trust Fund	20	8	564	-	-
Flexi Trust - Cash & Income Fund	1,680	97	21,160	-	-
Flexi Trust - Fixed Interest Fund Fee Option 1	-	114	6,043	-	-
Flexi Trust - Fixed Interest Fund Fee Option 2	-	1	53	-	-
Flexi Trust - Australian Equities Fund Fee Option 1	31	402	29,381	-	-
Flexi Trust - Australian Equities Fund Fee Option 2	-	33	941	-	-
Flexi Trust - Australian Property Securities Fund Fee Option 1	14	60	2,951	-	-
Flexi Trust - Australian Property Securities Fund Fee Option 2	-	-	15	-	-
Flexi Trust - Mortgage Fund	7,227	202	23,832	63,764	-
Flexi Trust - International Equities Fund Fee Option 1	302	261	3,065	-	-
Flexi Trust - International Equities Fund Fee Option 2	-	27	319	-	-
Flexi Trust - Balanced Fund Fee Option 1	23	2,326	45,434	-	-
Flexi Trust - Balanced Fund Fee Option 2	-	257	6,989	-	-
Wholesale Umbrella Trust Australian Equities	2,360	472	125,060	-	-
Wholesale Umbrella Trust International Equities	9,846	53	65,061	-	-
Wholesale Umbrella Trust Fixed Interest	1,422	1,354	100,304	-	-
Wholesale Umbrella Trust Property	447	141	11,687	-	-
Wholesale Umbrella Trust Cash & Short Term Securities	5,295	157	83,826	-	-
Wholesale Umbrella Trust Inflation Indexed	1,182	60	14,248	-	-
Wholesale Umbrella Trust Capital Stable	1	52	2,105	-	-
Wholesale Umbrella Trust Balanced	11	242	6,222	-	-
PST Balanced	493	1,676	42,439	-	-
PST Tax Exempt Balanced	120	983	24,324	-	-
PST Capital Stable	73	336	13,060	-	-
PST Tax Exempt Capital Stable	121	274	10,205	-	-
PST Australian Equities	15	214	6,136	-	-
PST Tax Exempt Australian Equities	18	63	1,758	-	-
PST International Equities	62	642	7,470	-	82
PST Tax Exempt International Equities	-	212	2,437	-	-
PST Fixed Interest	15	34	1,769	-	-
PST Tax Exempt Fixed Interest	-	5	257	-	-
PST Cash & Short Term Securities	-	241	15,983	-	15
PST Tax Exempt Cash & Short Term Securities	50	126	7,710	-	-
PST Property	3	34	1,125	-	-
PST Tax Exempt Property	-	10	370	-	-
Adjustment on Consolidation	-	(14,659)	(399,419)	-	-
TRUSTS	30,961	(3,489)	284,884	63,764	97
Approved Deposit Fund	957	235	29,012	-	-
Approved Deposit Fund - Managed	214	155	6,004	-	-
APPROVED DEPOSIT FUNDS	1,171	390	35,016	-	-
OST Superannuation - Capital Guaranteed Fund	724	39	3,199	-	-
OST Superannuation - Capital Stable Fund	-	10	470	-	-
SUPERANNUATION FUNDS	724	49	3,669	-	-
Common Fund No1	820	167	24,887	-	-
Common Fund No2	601	45	13,751	-	-
Common Fund No7	376	-	5,004	-	-
Common Fund No10	-	-	-	-	-
Common Fund No14	265	58	13,218	-	-
COMMON FUNDS	2,062	270	56,860	-	-
TOTAL OTHER MANAGED FUNDS (MEMBERS')	34,918	(2,780)	380,429	63,764	97

Total Assets \$'000	Liabilities \$'000	Net Assets \$'000	Members' Balances \$'000	Unallocated Surplus \$'000	Total Members' Funds \$'000
131	(2)	129	129	-	129
592	(1)	591	591	-	591
22,937	(302)	22,635	22,635	-	22,635
6,157	(107)	6,050	6,143	(93)	6,050
54	(1)	53	52	1	53
29,814	(2,887)	26,927	23,732	3,195	26,927
974	(26)	948	911	37	948
3,025	(77)	2,948	3,044	(96)	2,948
15	-	15	15	-	15
95,025	(654)	94,371	94,367	4	94,371
3,628	(546)	3,082	3,300	(218)	3,082
346	(26)	320	318	2	320
47,783	(2,501)	45,282	45,536	(254)	45,282
7,246	(259)	6,987	6,923	64	6,987
127,892	(5,409)	122,483	114,820	7,663	122,483
74,960	(7,570)	67,390	68,659	(1,269)	67,390
103,080	(1,946)	101,134	100,466	668	101,134
12,275	(612)	11,663	11,544	119	11,663
89,278	(1,326)	87,952	88,086	(134)	87,952
15,490	(530)	14,960	14,541	419	14,960
2,158	(67)	2,091	2,075	16	2,091
6,475	(273)	6,202	6,150	52	6,202
44,608	(357)	44,251	44,251	-	44,251
25,427	(20)	25,407	25,407	-	25,407
13,469	(68)	13,401	13,401	-	13,401
10,600	(4)	10,596	10,596	-	10,596
6,365	(86)	6,279	6,279	-	6,279
1,839	(1)	1,838	1,838	-	1,838
8,256	(83)	8,173	8,173	-	8,173
2,649	(2)	2,647	2,647	-	2,647
1,818	(2)	1,816	1,816	-	1,816
262	-	262	262	-	262
16,239	(788)	15,451	15,451	-	15,451
7,886	(1)	7,885	7,885	-	7,885
1,162	-	1,162	1,162	-	1,162
380	-	380	380	-	380
(414,078)	14,659	(399,419)	(399,419)	-	(399,419)
376,217	(11,875)	364,342	354,166	10,176	364,342
30,204	(239)	29,965	29,965	-	29,965
6,373	(101)	6,272	6,272	-	6,272
36,577	(340)	36,237	36,237	-	36,237
3,962	(20)	3,942	3,942	-	3,942
480	(4)	476	476	-	476
4,442	(24)	4,418	4,418	-	4,418
25,874	(309)	25,565	25,565	-	25,565
14,397	(183)	14,214	14,214	-	14,214
5,380	(326)	5,054	3,200	1,854	5,054
-	-	-	-	-	-
13,541	(204)	13,337	13,337	-	13,337
59,192	(1,022)	58,170	56,316	1,854	58,170
476,428	(13,261)	463,167	451,137	12,030	463,167

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for the financial year ended 30 June 2000

26(c) BENEFIT FUNDS - ALLOCATED SURPLUS - 1999

	Value of Benefit Entitlements 01/07/98 \$'000	Mergers of Benefit Funds \$'000	Liability Component of Contributions \$'000	Withdrawals \$'000	Service Fees, Stamp Duties & Expenses \$'000
Health Benefits Fund	-	-	-	-	-
HEALTH INSURANCE FUND	-	-	-	-	-
Supersaver - Capital Guaranteed Fund	824,433	47,488	12,843	(186,446)	(122)
Supersaver - Fixed Interest Fund	77,888	-	3,363	(13,476)	(34)
Supersaver - Australian Equities Fund	30,176	-	20,149	(4,632)	(25)
Supersaver - Capital Stable Fund	38,236	-	20,624	(7,401)	(62)
Supersaver - Balanced Fund	90,124	-	41,502	(13,442)	(106)
Supersaver - Mortgage Fund	4,950	-	4	(791)	(3)
BT Investment Bond	289,489	-	445	(60,339)	-
Estate Essentials Bond	65,918	-	8,755	(3,612)	(111)
Supersaver - Protection and Disability Fund	-	-	38	-	(38)
The Capital Builder Bond	28,417	-	1,393	(4,696)	(5)
Accumulator Fund	10,806	(10,806)	-	-	-
Capital Guaranteed Mortgage Bond	5,641	(5,641)	-	-	-
FLEXIBLE INSURANCE BENEFIT FUNDS	1,466,078	31,041	109,116	(294,835)	(506)
Consolidated Assurance Fund	1,242	-	-	(75)	-
Combined Assurance Fund	2,364	-	-	(145)	-
OST Assurance Benefit Fund	522	-	-	(27)	-
LIFE ASSURANCE BENEFIT FUNDS	4,128	-	-	(247)	-
Deferred Annuity - Capital Guaranteed Fund	33,155	-	532	(7,850)	(31)
Deferred Annuity - Managed Fund	44,830	-	5,090	(7,178)	(121)
Deferred Annuity - Capital Stable Fund	12,565	-	998	(2,839)	(52)
Deferred Annuity - Cash Management Fund	2,501	-	4,125	(4,496)	(35)
Immediate Annuity Fund	2,299	-	-	(680)	-
IOOF Term Annuity Fund	8,338	-	110	(3,054)	-
DEFERRED & IMMEDIATE ANNUITY FUNDS	103,688	-	10,855	(26,097)	(239)
Superannuation Fund	7,234	-	249	(1,124)	(27)
SUPERANNUATION FUNDS	7,234	-	249	(1,124)	(27)
TOTAL MEMBERS' FUNDS	1,581,128	31,041	120,220	(322,303)	(772)

Allocation of Surplus \$'000	Member Liability Revaluation \$'000	Value of Benefit Entitlements 30/06/99 \$'000
-	-	-
-	-	-
23,785	-	721,981
1,639	-	69,380
5,207	-	50,875
1,733	-	53,130
6,288	-	124,366
121	-	4,281
6,583	-	236,178
2,739	-	73,689
-	-	-
1,065	-	26,174
-	-	-
-	-	-
49,160	-	1,360,054
-	160	1,327
-	215	2,434
104	(115)	484
104	260	4,245
1,186	-	26,992
3,262	-	45,883
609	-	11,281
73	-	2,168
49	-	1,668
-	474	5,868
5,179	474	93,860
240	-	6,572
240	-	6,572
54,683	734	1,464,731

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(c) BENEFIT FUNDS - PROFIT & LOSS ACCOUNTS - 1999

	Unallocated Surplus 01/07/98	Net Investment Income	Revenue Component of Contributions	Other Income	Fees to Management Fund	Claims Expense	Member Liability Revaluation
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Health Benefits Fund	1,887	276	11,841	-	(1,428)	(9,082)	-
HEALTH INSURANCE FUND	1,887	276	11,841	-	(1,428)	(9,082)	-
Supersaver - Capital Guaranteed Fund	5,585	42,868	70	-	(11,121)	-	-
Supersaver - Fixed Interest Fund	-	3,792	6	-	(1,124)	-	-
Supersaver - Australian Equities Fund	-	8,039	34	-	(702)	-	-
Supersaver - Capital Stable Fund	-	3,333	6	-	(752)	-	-
Supersaver - Balanced Fund	-	10,855	29	-	(1,781)	-	-
Supersaver - Mortgage Fund	-	263	-	-	(70)	-	-
BT Investment Bond	3,623	12,484	17	421	(4,069)	-	-
Estate Essentials Bond	2	3,721	3	-	(971)	-	-
Supersaver - Protection and Disability Fund	-	-	2	-	(2)	-	-
The Capital Builder Bond	42	1,456	1	-	(411)	-	-
Accumulator Fund	-	-	-	-	-	-	-
Capital Guaranteed Mortgage Bond	-	-	-	-	-	-	-
FLEXIBLE INSURANCE BENEFIT FUNDS	9,252	86,811	168	421	(21,003)	-	-
Consolidated Assurance Fund	120	64	-	-	-	-	(160)
Combined Assurance Fund	243	125	-	-	-	-	(212)
OST Assurance Benefit Fund	48	26	-	-	-	-	96
LIFE ASSURANCE BENEFIT FUNDS	411	215	-	-	-	-	(276)
Deferred Annuity - Capital Guaranteed Fund	633	1,650	1	-	(461)	-	-
Deferred Annuity - Managed Fund	-	4,306	1	-	(691)	-	-
Deferred Annuity - Capital Stable Fund	-	876	-	-	(185)	-	-
Deferred Annuity - Cash Management Fund	-	125	-	-	(29)	-	-
Immediate Annuity Fund	186	119	-	-	(32)	-	-
IOOF Term Annuity Fund	-	-	1	-	(1)	-	-
DEFERRED & IMMEDIATE ANNUITY FUNDS	819	7,076	3	-	(1,399)	-	-
Superannuation Fund	23	369	5	-	(109)	-	-
SUPERANNUATION FUNDS	23	369	5	-	(109)	-	-
TOTAL MEMBERS' FUNDS	12,392	94,747	12,017	421	(23,939)	(9,082)	(276)

Other Expenses	Income Tax Expense	Profit/Loss after income tax	Surplus Allocated to Members	Transfers to/from Management Fund	Unallocated Surplus 30/06/99	Management Fund Seed Capital	Total Member Funds(Benefit Entitlements plus Unallocated Suplus)
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(540)	-	1,067	-	-	2,954	-	2,954
(540)	-	1,067	-	-	2,954	-	2,954
(143)	(11,712)	19,962	(23,785)	-	1,762	8,425	732,168
(16)	(1,019)	1,639	(1,639)	-	-	-	69,380
(11)	(2,153)	5,207	(5,207)	-	-	-	50,875
(11)	(843)	1,733	(1,733)	-	-	-	53,130
(26)	(2,789)	6,288	(6,288)	-	-	-	124,366
(1)	(71)	121	(121)	-	-	-	4,281
(45)	(3,163)	5,645	(6,583)	-	2,685	-	238,863
(16)	-	2,737	(2,739)	-	-	-	73,689
-	-	-	-	-	-	-	-
(7)	(1)	1,038	(1,065)	-	15	475	26,664
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(276)	(21,751)	44,370	(49,160)	-	4,462	8,900	1,373,416
(1)	(18)	(115)	-	-	5	-	1,332
(1)	(37)	(125)	-	-	118	-	2,552
-	(8)	114	(104)	-	58	-	542
(2)	(63)	(126)	(104)	-	181	-	4,426
(9)	(200)	981	(1,186)	-	428	-	27,420
(13)	(341)	3,262	(3,262)	-	-	-	45,883
(4)	(78)	609	(609)	-	-	-	11,281
(8)	(15)	73	(73)	-	-	-	2,168
(1)	-	86	(49)	(72)	151	-	1,819
-	-	-	-	-	-	-	5,868
(35)	(634)	5,011	(5,179)	(72)	579	-	94,439
(3)	(45)	217	(240)	-	-	100	6,672
(3)	(45)	217	(240)	-	-	100	6,672
(856)	(22,493)	50,539	(54,683)	(72)	8,176	9,000	1,481,907

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(c) BENEFIT FUNDS - BALANCE SHEETS -1999

	Cash & Cash Equivalents \$'000	Receivables \$'000	Securities \$'000	Loans & Advances \$'000	Other Investments \$'000	Other Assets \$'000	Total Assets \$'000
Health Benefits Fund	4,624	1,206	1,988	-	-	38	7,856
HEALTH INSURANCE FUND	4,624	1,206	1,988	-	-	38	7,856
Supersaver - Capital Guaranteed Fund	15,037	3,853	690,720	30,268	247	272	740,397
Supersaver - Fixed Interest Fund	7,966	555	59,055	2,743	(10)	74	70,383
Supersaver - Australian Equities Fund	14,634	174	39,202	211	(41)	-	54,180
Supersaver - Capital Stable Fund	5,944	326	47,032	812	(14)	-	54,100
Supersaver - Balanced Fund	8,139	852	117,842	435	(35)	-	127,233
Supersaver - Mortgage Fund	458	11	1,983	1,888	3	-	4,343
BT Investment Bond	1,870	3,504	236,780	-	-	115	242,269
Estate Essentials Bond	2,799	309	70,584	-	9	-	73,701
Supersaver - Protection and Disability Fund	10	29	-	-	-	-	39
The Capital Builder Bond	1,830	103	24,762	-	3	-	26,698
Accumulator Fund	-	-	-	-	-	-	-
Capital Guaranteed Mortgage Bond	-	-	-	-	-	-	-
FLEXIBLE INSURANCE BENEFIT FUNDS	58,687	9,716	1,287,960	36,357	162	461	1,393,343
Consolidated Assurance Fund	1,337	7	-	-	-	-	1,344
Combined Assurance Fund	2,558	43	-	-	-	-	2,601
OST Assurance Benefit Fund	563	19	-	-	-	-	582
LIFE ASSURANCE BENEFIT FUNDS	4,458	69	-	-	-	-	4,527
Deferred Annuity - Capital Guaranteed Fund	2,265	171	25,179	-	4	14	27,633
Deferred Annuity - Managed Fund	2,357	305	43,656	-	(13)	103	46,408
Deferred Annuity - Capital Stable Fund	2,580	77	8,700	-	(3)	1	11,355
Deferred Annuity - Cash Management Fund	186	4	2,023	-	-	-	2,213
Immediate Annuity Fund	1,061	7	754	-	-	-	1,822
IOOF Term Annuity Fund	7	3	-	-	5,868	-	5,878
DEFERRED & IMMEDIATE ANNUITY FUNDS	8,456	567	80,312	-	5,856	118	95,309
Superannuation Fund	857	46	5,827	-	1	8	6,739
SUPERANNUATION FUNDS	857	46	5,827	-	1	8	6,739
TOTAL MEMBERS' FUNDS	77,082	11,604	1,376,087	36,357	6,019	625	1,507,774

Liabilities \$'000	Net Assets \$'000	Members' Balances \$'000	Unallocated Surplus \$'000	Management Fund Seed Capital \$'000	Members' Funds \$'000
(4,902)	2,954	-	2,954	-	2,954
(4,902)	2,954	-	2,954	-	2,954
(8,229)	732,168	721,981	1,762	8,425	732,168
(1,003)	69,380	69,380	-	-	69,380
(3,305)	50,875	50,875	-	-	50,875
(970)	53,130	53,130	-	-	53,130
(2,867)	124,366	124,366	-	-	124,366
(62)	4,281	4,281	-	-	4,281
(3,406)	238,863	236,178	2,685	-	238,863
(12)	73,689	73,689	-	-	73,689
(39)	-	-	-	-	-
(34)	26,664	26,174	15	475	26,664
-	-	-	-	-	-
-	-	-	-	-	-
(19,927)	1,373,416	1,360,054	4,462	8,900	1,373,416
(12)	1,332	1,327	5	-	1,332
(49)	2,552	2,434	118	-	2,552
(40)	542	484	58	-	542
(101)	4,426	4,245	181	-	4,426
(213)	27,420	26,992	428	-	27,420
(525)	45,883	45,883	-	-	45,883
(74)	11,281	11,281	-	-	11,281
(45)	2,168	2,168	-	-	2,168
(3)	1,819	1,668	151	-	1,819
(10)	5,868	5,868	-	-	5,868
(870)	94,439	93,860	579	-	94,439
(67)	6,672	6,572	-	100	6,672
(67)	6,672	6,572	-	100	6,672
(25,867)	1,481,907	1,464,731	8,176	9,000	1,481,907

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(d). OTHER MANAGED FUNDS - ALLOCATED SURPLUS 1999

	Value of Benefit Entitlements 01/07/98 \$'000	Liability Component of Contributions \$'000	Withdrawals \$'000	Service Fees, Stamp Duties & expenses \$'000
IOOF Split Property Trust	123	-	-	-
Management Investment Trust Fund	1,129	-	(86)	-
Flexi Trust - Cash & Income Fund	13,975	14,290	(7,613)	-
Flexi Trust - Fixed Interest Sub-Fund	5,699	17,225	(6,090)	(19)
Flexi Trust - Australian Equities Sub-Fund	15,720	13,915	(2,806)	(13)
Flexi Trust - Australian Property Securities Sub-Fund	1,670	2,665	(389)	(1)
Flexi Trust - Mortgage Fund	156,310	24,632	(48,741)	(28)
Flexi Trust - International Equities Sub-Fund	1,650	7,222	(731)	(5)
Flexi Trust - Balanced Sub-Fund	13,550	28,293	(4,461)	(85)
Wholesale Umbrella Trust Australian Equities	12,455	14,931	(4,442)	-
Wholesale Umbrella Trust International Equities	2,123	10,398	(2,119)	-
Wholesale Umbrella Trust Fixed Interest	12,144	26,519	(18,470)	-
Wholesale Umbrella Trust Property	3,895	4,339	(1,530)	-
Wholesale Umbrella Trust Cash & Short Term Securities	24,424	38,847	(33,417)	-
Wholesale Umbrella Trust Inflation Indexed	1,954	1,851	(328)	-
PST Balanced	20,068	11,174	(2,344)	-
PST Tax Exempt Balanced	5,977	7,532	(324)	-
PST Capital Stable	8,164	5,949	(1,262)	-
PST Tax Exempt Capital Stable	6,630	5,217	(641)	-
PST Australian Equities	2,667	1,136	(532)	-
PST Tax Exempt Australian Equities	-	43	-	-
PST International Equities	431	726	(18)	-
PST Tax Exempt International Equities	-	32	-	-
PST Fixed Interest	1,593	1,007	(488)	-
PST Tax Exempt Fixed Interest	-	4	-	-
PST Cash & Short Term Securities	10,542	12,827	(10,997)	-
PST Tax Exempt Cash & Short Term Securities	4,587	3,808	(1,448)	-
PST Property	390	821	(169)	-
PST Tax Exempt Property	-	17	-	-
Adjustment on Consolidation	(128,671)	(178,521)	84,172	-
TRUSTS	199,199	76,899	(65,274)	(151)
Approved Deposit Fund	45,322	14	(9,416)	-
Approved Deposit Fund - Managed	7,210	240	(1,550)	-
APPROVED DEPOSIT FUNDS	52,532	254	(10,966)	-
OST Superannuation	6,266	-	(1,384)	-
OST Superannuation - Capital Stable Managed	497	-	(43)	-
SUPERANNUATION FUNDS	6,763	-	(1,427)	-
Common Fund No1	30,831	3,527	-	-
Common Fund No2	24,975	-	(6,754)	-
Common Fund No7	4,657	-	(1,220)	-
Common Fund No10	3,290	-	(3,290)	-
Common Fund No14	26,363	-	(7,989)	-
COMMON FUNDS	90,116	3,527	(19,253)	-
TOTAL OTHER MANAGED FUNDS (MEMBERS')	348,610	80,680	(96,920)	(151)

Allocation of Surplus	Value of Benefit Entitlements 30/06/99
\$'000	\$'000
3	126
40	1,083
-	20,652
-	16,815
-	26,816
-	3,945
-	132,173
-	8,136
-	37,297
-	22,944
-	10,402
-	20,193
-	6,704
-	29,854
-	3,477
2,044	30,942
854	14,039
577	13,428
507	11,713
607	3,878
1	44
55	1,194
-	32
54	2,166
-	4
541	12,913
289	7,236
(14)	1,028
-	17
(5,174)	(228,194)
384	211,057
1,210	37,130
483	6,383
1,693	43,513
210	5,092
31	485
241	5,577
-	34,358
-	18,221
-	3,437
-	-
-	18,374
-	74,390
2,318	334,537

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(d). OTHER MANAGED FUNDS - PROFIT & LOSS ACCOUNTS 1999

	Unallocated Surplus 01/07/98	Net Investment Income	Revenue Component of Contributions	Other Income	Fees to Management Fund
	\$'000	\$'000	\$'000	\$'000	\$'000
IOOF Split Property Trust	-	6	-	-	(2)
Management Investment Trust Fund	-	61	-	-	(17)
Flexi Trust - Cash & Income Fund	-	988	-	-	(137)
Flexi Trust - Fixed Interest Sub-Fund	25	274	-	-	(109)
Flexi Trust - Australian Equities Sub-Fund	2,134	4,094	-	-	(355)
Flexi Trust - Australian Property Securities Sub-Fund	(50)	(12)	-	-	(35)
Flexi Trust - Mortgage Sub-Fund	(6)	8,822	-	-	(1,734)
Flexi Trust - International Equities Sub-Fund	210	453	-	-	(75)
Flexi Trust - Balanced Sub-Fund	(651)	1,876	-	-	(274)
Wholesale Umbrella Trust Australian Equities	707	3,521	-	-	(120)
Wholesale Umbrella Trust International Equities	466	783	-	-	(59)
Wholesale Umbrella Trust Fixed Interest	48	708	-	-	(78)
Wholesale Umbrella Trust Property	63	92	-	-	(32)
Wholesale Umbrella Trust Cash & Short Term Securities	(18)	1,480	-	-	(104)
Wholesale Umbrella Trust Inflation Indexed Securities	63	59	-	-	(11)
PST Balanced	-	2,260	-	141	(154)
PST Tax Exempt Balanced	-	856	-	56	(61)
PST Capital Stable	-	653	-	51	(64)
PST Tax Exempt Capital Stable	-	513	-	41	(51)
PST Australian Equities	-	656	-	21	(21)
PST Tax Exempt Australian Equities	-	1	-	-	-
PST International Equities	-	63	-	6	(6)
PST Tax Exempt International Equities	-	-	-	-	-
PST Fixed Interest	-	63	-	8	(8)
PST Tax Exempt Fixed Interest	-	-	-	-	-
PST Cash & Short Term Securities	-	651	-	49	(49)
PST Tax Exempt Cash & Short Term Securities	-	288	-	22	(22)
PST Property	-	(20)	-	4	(4)
PST Tax Exempt Property	-	-	-	-	-
Adjustment on Consolidation	5	(7,506)	-	-	-
TRUSTS	2,996	21,683	-	399	(3,582)
Approved Deposit Fund	-	2,220	-	-	(666)
Approved Deposit Fund - Managed	-	630	-	-	(104)
APPROVED DEPOSIT FUNDS	-	2,850	-	-	(770)
OST Superannuation	-	316	19	-	(86)
OST Superannuation - Capital Stable Managed	-	38	5	-	(8)
SUPERANNUATION FUNDS	-	354	24	-	(94)
Common Fund No1	-	1,639	-	-	(267)
Common Fund No2	-	1,249	-	-	(209)
Common Fund No7	2,357	1,285	-	-	(69)
Common Fund No10	-	118	-	-	(26)
Common Fund No14	-	1,192	-	-	(216)
COMMON FUNDS	2,357	5,483	-	-	(787)
TOTAL OTHER MANAGED FUNDS (MEMBERS')	5,353	30,370	24	399	(5,233)

Other Expenses	Income Tax Expense	Profit /Loss after income tax	Surplus Allocated to Members	Unallocated Surplus 30/06/99	Total Member Funds(Benefit Entitlements plus Unallocated Surplus)
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(1)	-	3	(3)	-	126
(4)	-	40	(40)	-	1,083
(29)	-	822	(822)	-	20,652
(31)	-	134	(479)	(320)	16,495
(42)	-	3,697	(2,096)	3,735	30,551
(6)	-	(53)	(120)	(223)	3,722
(316)	-	6,772	(6,791)	(25)	132,148
(13)	-	365	(445)	130	8,266
(33)	-	1,569	(1,736)	(818)	36,479
(23)	-	3,378	(1,449)	2,636	25,580
(11)	-	713	(884)	295	10,697
(28)	-	602	(1,093)	(443)	19,750
(7)	-	53	(390)	(274)	6,430
(44)	-	1,332	(1,348)	(34)	29,820
(3)	-	45	(147)	(39)	3,438
(19)	(184)	2,044	(2,044)	-	30,942
3	-	854	(854)	-	14,039
(9)	(54)	577	(577)	-	13,428
4	-	507	(507)	-	11,713
(2)	(47)	607	(607)	-	3,878
-	-	1	(1)	-	44
(1)	(7)	55	(55)	-	1,194
-	-	-	-	-	32
(3)	(6)	54	(54)	-	2,166
-	-	-	-	-	4
(28)	(82)	541	(541)	-	12,913
1	-	289	(289)	-	7,236
(1)	7	(14)	14	-	1,028
-	-	-	-	-	17
-	-	(7,506)	7,501	-	(228,194)
(646)	(373)	17,481	(15,857)	4,620	215,677
(118)	(226)	1,210	(1,210)	-	37,130
(6)	(37)	483	(483)	-	6,383
(124)	(263)	1,693	(1,693)	-	43,513
(4)	(35)	210	(210)	-	5,092
(1)	(3)	31	(31)	-	485
(5)	(38)	241	(241)	-	5,577
(32)	-	1,340	(1,340)	-	34,358
(138)	-	902	(902)	-	18,221
(50)	-	1,166	(1,431)	2,092	5,529
(1)	-	91	(91)	-	-
96	-	1,072	(1,072)	-	18,374
(125)	-	4,571	(4,836)	2,092	76,482
(900)	(674)	23,986	(22,627)	6,712	341,249

Notes to the Financial Statements

for the financial year ended 30 June 2000

26(d). OTHER MANAGED FUNDS - BALANCE SHEETS 1999

	Cash & Cash Equivalents \$'000	Receivables \$'000	Securities \$'000	Loans & Advances \$'000	Other Assets \$'000
IOOF Split Property Trust	127	-	-	-	-
Management Investment Trust Fund	758	4	322	-	-
Flexi Trust - Cash & Income Fund	591	68	20,410	-	-
Flexi Trust - Fixed Interest Sub-Fund	3,879	195	12,510	-	-
Flexi Trust - Australian Equities Sub-Fund	1,309	85	31,140	-	-
Flexi Trust - Australian Property Securities Sub-Fund	60	44	3,702	-	-
Flexi Trust - Mortgage Sub-Fund	3,742	184	47,533	81,405	-
Flexi Trust - International Equities Sub-Fund	215	239	8,270	-	-
Flexi Trust - Balanced Sub-Fund	1,645	1,369	34,845	-	-
Wholesale Umbrella Trust Australian Equities	1,137	77	25,644	-	-
Wholesale Umbrella Trust International Equities	251	318	11,012	-	-
Wholesale Umbrella Trust Fixed Interest	2,858	255	17,077	-	-
Wholesale Umbrella Trust Property	110	76	6,503	-	-
Wholesale Umbrella Trust Cash & Short Term Securities	819	36	29,629	-	-
Wholesale Umbrella Trust Inflation Indexed	193	16	3,299	-	-
PST Balanced	301	1,345	29,312	-	26
PST Tax Exempt Balanced	35	613	13,405	-	-
PST Capital Stable	33	389	13,012	-	34
PST Tax Exempt Capital Stable	33	351	11,348	-	-
PST Australian Equities	1	192	3,736	-	-
PST Tax Exempt Australian Equities	1	2	41	-	-
PST International Equities	1	91	1,099	-	12
PST Tax Exempt International Equities	1	2	29	-	-
PST Fixed Interest	1	47	2,116	-	12
PST Tax Exempt Fixed Interest	1	-	3	-	-
PST Cash & Short Term Securities	-	279	12,673	-	9
PST Tax Exempt Cash & Short Term Securities	1	165	7,072	-	-
PST Property	16	38	969	-	18
PST Tax Exempt Property	1	1	15	-	-
Adjustment on Consolidation	-	(4,889)	(228,194)	-	-
TRUSTS	18,120	1,592	118,532	81,405	111
Approved Deposit Fund	1,690	417	35,274	-	3
Approved Deposit Fund - Managed	1,121	53	5,272	-	-
APPROVED DEPOSIT FUNDS	2,811	470	40,546	-	3
OST Superannuation	932	37	4,167	-	6
OST Superannuation - Capital Stable Managed	76	2	414	-	-
SUPERANNUATION FUNDS	1,008	39	4,581	-	6
Common Fund No1	91	212	34,387	-	-
Common Fund No2	146	128	18,155	-	-
Common Fund No7	372	-	6,498	-	-
Common Fund No10	-	-	-	-	-
Common Fund No14	620	89	17,919	-	-
COMMON FUNDS	1,229	429	76,959	-	-
TOTAL OTHER MANAGED FUNDS (MEMBERS')	23,168	2,530	240,618	81,405	120

Total Assets \$'000	Liabilities \$'000	Net Assets \$'000	Members' Balances \$'000	Unallocated Surplus \$'000	Members' Funds \$'000
127	(1)	126	126	-	126
1,084	(1)	1,083	1,083	-	1,083
21,069	(417)	20,652	20,652	-	20,652
16,584	(89)	16,495	16,815	(320)	16,495
32,534	(1,983)	30,551	26,816	3,735	30,551
3,806	(84)	3,722	3,945	(223)	3,722
132,864	(716)	132,148	132,173	(25)	132,148
8,724	(458)	8,266	8,136	130	8,266
37,859	(1,380)	36,479	37,297	(818)	36,479
26,858	(1,278)	25,580	22,944	2,636	25,580
11,581	(884)	10,697	10,402	295	10,697
20,190	(440)	19,750	20,193	(443)	19,750
6,689	(259)	6,430	6,704	(274)	6,430
30,484	(664)	29,820	29,854	(34)	29,820
3,508	(70)	3,438	3,477	(39)	3,438
30,984	(42)	30,942	30,942	-	30,942
14,053	(14)	14,039	14,039	-	14,039
13,468	(40)	13,428	13,428	-	13,428
11,732	(19)	11,713	11,713	-	11,713
3,929	(51)	3,878	3,878	-	3,878
44	-	44	44	-	44
1,203	(9)	1,194	1,194	-	1,194
32	-	32	32	-	32
2,176	(10)	2,166	2,166	-	2,166
4	-	4	4	-	4
12,961	(48)	12,913	12,913	-	12,913
7,238	(2)	7,236	7,236	-	7,236
1,041	(13)	1,028	1,028	-	1,028
17	-	17	17	-	17
(233,083)	4,889	(228,194)	(228,194)	-	(228,194)
219,760	(4,083)	215,677	211,057	4,620	215,677
37,384	(254)	37,130	37,130	-	37,130
6,446	(63)	6,383	6,383	-	6,383
43,830	(317)	43,513	43,513	-	43,513
5,142	(50)	5,092	5,092	-	5,092
492	(7)	485	485	-	485
5,634	(57)	5,577	5,577	-	5,577
34,690	(332)	34,358	34,358	-	34,358
18,429	(208)	18,221	18,221	-	18,221
6,870	(1,341)	5,529	3,437	2,092	5,529
-	-	-	-	-	-
18,628	(254)	18,374	18,374	-	18,374
78,617	(2,135)	76,482	74,390	2,092	76,482
347,841	(6,592)	341,249	334,537	6,712	341,249

Directors' Declaration

for the financial year ended 30 June 2000

The Directors declare that the financial statements and notes set out on pages 26 to 75:

- a. comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements; and
- b. give a true and fair view of IOOF Ltd's ("the Company") and Consolidated Entity's financial position as at 30 June 2000 and of their performance as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the Directors' opinion:

- a. the financial position and notes are in accordance with the Corporations Law;
- b. there are reasonable grounds to believe that, at the time of the statement is made the Company will be able to pay all debts or claims that are referable to it;
- c. the financial statements of the Company are properly drawn up in accordance with the requirements of the Life Insurance Act 1995 ("the Act") and the Prudential Rules;
- d. the allocation and distribution of the surplus of the benefit funds of the Company have been made in accordance with Division 5 of Part 4 of the Act and the benefit fund rules of each benefit fund; and
- e. any assets of the benefit funds of the Company have not been applied or invested in contravention of the Act.

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



L A Bytheway
Chairman of the Board

Melbourne,
27 September 2000



R J Turner
Managing Director

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF IOOF LTD AND
TO THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY**

SCOPE

We have audited the financial report of IOOF Ltd ("the Company") for the financial year ended 30 June 2000 as set out on pages 26 to 76. The directors of the Company are responsible for the financial report which includes the financial statements of the Company and the consolidated financial statements of the consolidated entity which comprises the Company and the entities it controlled at the end of, or during, the financial year. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company and to the Australian Prudential Regulation Authority.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards - except to the extent the application of AASB 1038 requires consolidation of the benefit funds which is not required by Prudential Rule 47, other mandatory professional reporting requirements, the Corporations Law in Australia, the Life Insurance Act 1995 and the Prudential Rules so as to present a view which is consistent with our understanding of the Company's and consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion,

- (a) the financial report of the Company is in accordance with the Corporations Law, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2000 and of their performance for the financial year ended on that date;
 - (ii) complying with Accounting Standards and the Corporations Regulations;
- (b) the financial report of the Company is in accordance with the Life Insurance Act 1995, the Prudential Rules and other mandatory professional reporting requirements;
- (c) the records of the Company on which the financial statements are based record properly the affairs and transactions of the Company;
- (d) the apportionments made under Division 2 of Part 6 of the Act have been made equitably and in accordance with generally accepted accounting principles; and
- (e) no part of the assets of the benefit funds have been applied directly or indirectly in contravention of the provisions of Division 1 of Part 4 and Division 4 of Part 2A of the Act.

PricewaterhouseCoopers

PricewaterhouseCoopers

Chartered Accountants

Simon Gray

Simon Gray

Partner

Melbourne

27 September 2000

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