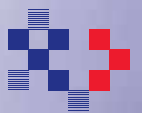


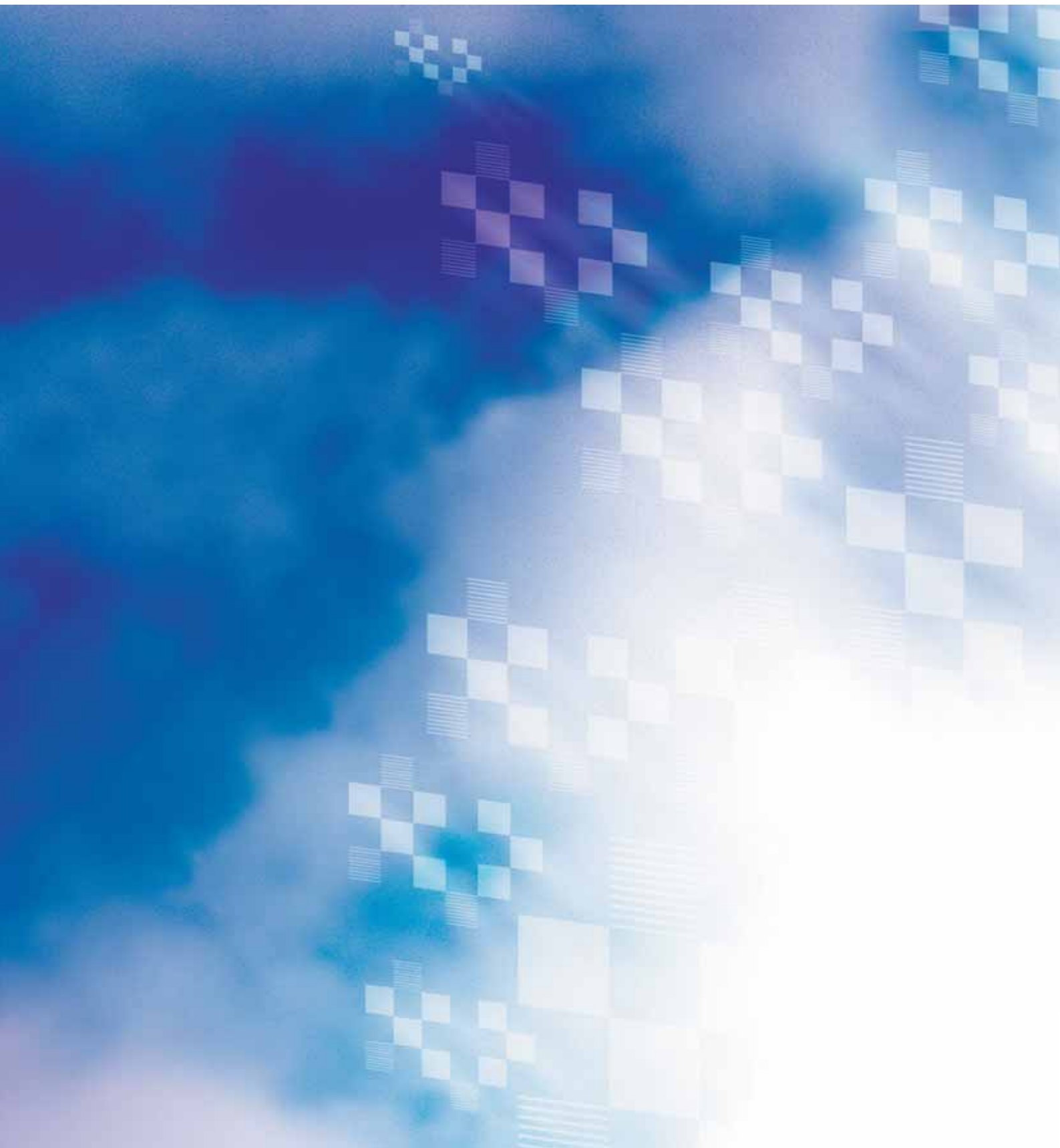


2004 Annual Report

Financial freedom within reach.



POLICE & NURSES
CREDIT SOCIETY



Directory

Directors

E L Smith (Chairman)
E J Billing (Deputy Chairman)
F J Compton
M J Dean
P M Gabb
MT Hinton
E A Manley
S J Melville
A M Rial

Registered Office

Police & Nurses Credit Society Ltd
ABN 69 087 651 876
246 Adelaide Terrace
Perth WA 6000
13 25 77

External Auditors

PricewaterhouseCoopers

CEO & Company Secretary

A E (Fred) Huis

Internal Auditors

KPMG

PNCS Group Financial Highlights

	1999/00	2000/01	2001/02	2002/03	2003/04	Growth
Net profit after tax and before outside equity interest	1,868,360	6,960,714	15,991,233	10,006,632	7,720,170	-22.85%
Total assets under management	1,000,336,293	1,108,772,943	1,365,848,814	1,470,271,042	1,312,871,082	-10.71%
Member Deposits	358,682,126	428,884,762	605,001,588	712,022,878	791,293,254	11.13%
Loans advanced to members	328,917,843	397,091,379	529,122,741	611,967,933	649,957,863	6.21%
Reserves	53,722,061	60,682,775	76,464,767	86,991,399	94,790,650	8.97%
Total Membership	49,858	54,931	70,844	73,776	75,531	2.38%

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Chairman's Report



Chairman, E L Smith

I am pleased to present the 2004 Annual Report for Police & Nurses Credit Society.

The past financial year has seen a period of significant change and growth for Police & Nurses as the Society has responded to wider changes in the finance industry and faced challenging global economic conditions.

The world economy has slowly begun to recover from the downturn after recent world events and despite this uncertain environment, Australia's economy has continued to experience steady growth. Inflation and interest rates are low and there has also been significant improvement in the labour market, with national unemployment figures at their lowest in 14 years. These factors, combined with steady rises in consumer spending, exports and business investment have greatly contributed to Australia's resilience. The flow on effect of improvements in the US and East Asian economies is expected to have an added positive influence on our economy in the coming years.

The initial surge of the national housing boom has somewhat subsided over the past year with the RBA's interest rate increases in November and December. As a result, housing prices have flattened, particularly on the Eastern Seaboard, shifting the industry from a sellers to a buyers market. Despite the RBA increases, interest rates are still comparatively low at present and the demand for home loans remains steady. While there could be further interest rate rises over the coming year, it is predicted the increases won't be significant and the Australian economy is expected to continue to experience relatively low rates and steady growth for the next few years.

Competition in the financial services market has increased and is bringing the finance industry into a new era of banking. Many financial institutions are diversifying and expanding the scope of their services to capture a greater share of consumers' financial portfolios. The current trend of diversifying and supporting core business activities with more profitable ventures allows financial institutions to continue to provide their customers with a competitive financial service. This has also introduced strong cross selling opportunities, highlighting the importance of building good customer relations, lifting customer satisfaction, retaining customers and building loyalty.

Credit unions have long recorded higher levels of customer satisfaction than banks largely owing to their customer focused approach and consumer demand for an alternative to the impersonal service provided by the banks. Over the past few years credit unions have captured an increasing share of the market through diversification of their products and services and a greater number of people turning to credit unions for competitive financial services during the recent housing boom.

Many credit unions have increased their range of deposit and lending products to cater to a wider section of the community and have also introduced additional services such as financial planning and insurance, offering customers a complete financial package. Over the past year, Police & Nurses has worked to further develop our comprehensive and competitive range of financial products and services to cater to increasing demand for an alternative to the banks.

Chairman's Report

Demographic factors have also had more of an influence on the financial services industry over the past year as more emphasis is placed on wealth creation in retirement and superannuation for our aging population. More financial institutions are introducing financial planning and retirement investment features to their range of products and services, assisting our community to prepare for this period in their lives.

The finance industry has been subject to considerable media scrutiny in the past year surrounding issues of accountability, regulation and sound banking practices. This has served as a timely reminder to financial institutions about the importance of complying with legislation and regulatory measures and the importance of fair, open and accountable business practices.

A further regulatory issue arising this year was the implementation of the Financial Services Reform Act (FSRA), which culminated in March this year with the final deadline for all deposit taking financial institutions to have received their Australian Financial Services License (AFSL). The FSRA process commenced in 2002, and introduced a single regulatory framework to govern the Australian financial services industry. Another regulatory measure due to be implemented over the coming year is the BASEL II Accord which aims to develop a consistent international framework for capital risk management practices. The implications of BASEL II for the finance industry and its effects on lending practices will become evident over the coming year as it is implemented.

On behalf of the Police & Nurses Credit Society Board of Directors, I would like to take this opportunity to thank the Society's Chief Executive, Fred Huis for his continued dedication and valued contributions to the success of Police & Nurses Credit Society. The efforts of Mr Huis, his management team and the staff at Police & Nurses in the past year have strongly demonstrated the organisation's commitment to helping people achieve financial freedom.

I also would like to recognise the efforts of my fellow directors who have willingly offered their time and expertise to develop and reinforce the strategic direction of the Society during a challenging year of change and growth. They have demonstrated responsibility and accountability in dealing with a wide range of issues affecting the Society, and their loyalty and support has been much appreciated.

In looking to the coming year there are many challenges and further changes ahead for Police & Nurses. I am confident that we will continue to meet these with the capability and drive that has made us Western Australia's leading credit union.



CEO, AE (Fred) Huis

It has been a challenging financial year at Police & Nurses Credit Society. We have undergone a period of considerable change and expansion, although central to these events remains our strong commitment to helping people achieve financial freedom.

Our profit figures show an uncharacteristic decline in this financial year, as our objective to ensure we remain a viable provider of financial services required us to reinvest significantly in our infrastructure and human resources. Legislative reform has been onerous but imperative, and the benefits of these actions to members will be significant.

We have continued to spread our risk and ability to generate income from diverse sources by expanding our commercial lending portfolio and our investment in property developments including Stages 2 and 3 of the Jacaranda Gardens lifestyle village.

Compliance has been an important issue for all financial institutions in 2003/04 and the introduction of various regulatory measures across the financial services industry has brought further changes for Police & Nurses. In January we successfully obtained an Australian Financial Services License (AFSL) in support of our status as an Approved Deposit-taking Institution (ADI).

As a member based organisation we are continuing to grow at a steady rate, and September saw Police & Nurses welcome our 75,000th member, making us the largest Western Australian owned financial institution by measure of membership numbers and assets under management. This significant achievement is testament to our success and strong position in the competitive financial services market.

Year in Review

I would now like to review some of the highlights, financial results and significant achievements of the past year, and share some key points about our future direction.

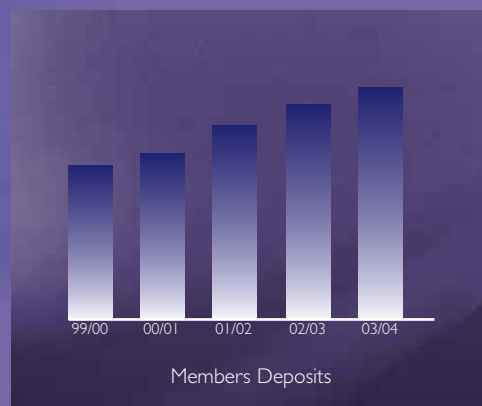
Financial Results

Police & Nurses Credit Society's profitability trend has remained steady, although this year's results at \$7,720,170 after tax were somewhat lower than expected. Taking into account the Society's significant investment in expanding and upgrading our branch network over the past year, and the cost of attaining our Australian Financial Services License, we expect this result to return to our traditional position of strength in the new financial year.



Despite a cooling of the national housing boom over the past year, Police & Nurses competitive home loans are still faring well in the market. We have recorded a 6.2% rise in lending reaching a total figure of \$649,957,863.

Memberships have grown by 2.3% in the past year, and the introduction of Police & Nurses Easypay has seen an increase in members depositing their payroll with the Society, lifting our deposits to \$791,293,254.



CEO's Review

Our Members

Police & Nurses membership growth is steadily progressing and this year the Society achieved the major milestone of reaching 75,000 members.



Our competitive range of products and services coupled with our commitment to helping people achieve financial freedom has made us the largest West Australian based retail financial institution. Police & Nurses personal approach to customer service is proving to be an increasingly popular alternative to traditional banking services, and our success in delivering quality financial solutions is reflected in the results of our Member Satisfaction Survey.



Despite a year of significant change, Police & Nurses has still recorded an excellent member satisfaction figure of 88% in May 2004 - meaning that 88% of Police & Nurses members are satisfied with our day to day delivery of services.

Contrary to the increasing fees charged by most banks, Police & Nurses is focused on reducing the cost of banking for our members. This has largely been made possible by our members' commitment to using low cost transaction alternatives for their day to day banking. These alternatives cost the Society significantly less to provide and allow us to pass the savings on to our members in the form of lower fees. This year we reduced our Netlink online banking access fee from 95c to 75c, bringing it down to half what it was two years ago. It is foreseeable that if more members use this service, the access fee could be removed altogether.

Our Branch Network

Police & Nurses has invested in its branch network with a view to providing members with relevant services into the future. Late last year, we changed the role of our branches from performing transactions to an advisory approach to our service delivery. Members stand to benefit considerably from these changes in the form of better money management advice to suit their circumstances. We expect many other financial institutions to adopt a similar model to ours, as they recognise the need to adapt and better service today's consumer.

The most prominent change resulting from this new approach has occurred at our branches. With the plethora of choices and information available to consumers today and spurred by legislative reform, being a trusted provider of sound financial information and advice is the priority for financial institutions. Consequently the traditional function of the bank branch has changed. Well informed consumers can perform their own transactions, previously conducted over the counter but now largely completed via internet or telephone banking, and only visit branches for detailed information or finalising a major transaction.

Police & Nurses are leading this change by upgrading its retail network to new, modern Financial Centres and Finance Shops that offer a comfortable environment for people to discuss their financial needs and source information. Our members have facilitated this shift by significantly reducing the cost of banking for the Society, which has allowed us to grow our retail network. This year we opened a new Finance Shop in Belmont, and intend to open two more in the new financial year, so we can be closer to our members when they need us.

As part of our expansion plans, Police & Nurses has also introduced a dedicated ATM network called Cashlink. Our Cashlink ATMs are free for Police & Nurses members to use and we are currently in the process of installing 33 additional ATMs. Upon completion of the expansion, 75% of Police & Nurses members in the metropolitan area will reside within two kilometres of a Cashlink ATM.

Our Staff

Police & Nurses staff have met a number of challenges over the past financial year with significant regulatory and strategic changes affecting the Society and bringing with it major change.

A seamless introduction of the new retail strategy and effective communication of these changes to members has been a significant focus for the organisation over the past year.

Legislative reform presents us with continual challenges, and none more so than the Financial Services Reform Act (FSRA). Commencing in 2002 the Society initiated a project to review and implement the FSRA, including the accreditation of all staff to provide financial advice. This has resulted in a significant investment in our staff and I am pleased to report that Police & Nurses Credit Society successfully received an Australian Financial Services License (AFSL) in January, well ahead of the March deadline.

The Society has also worked hard to improve internal efficiency over the past year by developing a Business Solutions department, responsible for the review of business processes. As a result of these productivity reviews we have achieved cost savings in excess of \$800,000 for this year.

In a time when financial institutions are largely criticised for their poor standard of customer service, it was a great achievement for Police & Nurses staff to be recognised by the Customer Service Council of WA as an organisation that provides quality customer service. In last year's Awards for Service Excellence, the Society received both the 'Best in the West' overall Award and the Large Business Award.

Our Innovations

2003/04 was an exciting year for new financial products and saw the introduction of the Police & Nurses Easypay suite of products, that reward members with competitive interest rates and low fees in return for depositing their pay with the Society. Our range of products reached another milestone this year with the introduction of the Society's first credit card - the low rate Easypay VISA card in April.

Over the past year we have focused on raising the profile of the organisation to facilitate membership growth via comprehensive television, radio and newspaper advertising campaigns. The effectiveness of these activities in raising consumer awareness are already showing results and we expect this to translate into growth over the coming year.

With the greater use of technology in the banking industry and the rising incidence of fraud, security has become an increasingly important issue for financial institutions in recent years. Ensuring the security of our members' personal information is a very important issue for Police & Nurses and we have implemented a number of high level security measures to ensure the Society is protected from fraud. Later this year we will be introducing the Verified by VISA security feature which will offer members greater protection while using their VISA card to shop online.

Police & Nurses is proud to be at the forefront of developments in technology enabling us to deliver more convenient banking solutions to our members. We have introduced a Live Help feature on our website, providing assistance to members and site visitors via a real time 'web chat' service. In the coming years we will continue to innovate and explore new technology to find convenient ways for our members to access their accounts and our services.

CEO's Review

Commercial property development continues to be a source of growth for the Society, and this year we enjoyed great success with the Jacaranda Gardens lifestyle village. With all of Stage 1 sold out, the first residents will move into their homes early in the new year and Stages 2 and 3 will be released for sale.

Nurses First, the Victorian division of Police & Nurses Credit Society has now been in operation for a year and membership numbers are steadily growing. We are continuing to raise its profile among the Melbourne nursing community as a financial institution specially developed for health professionals.

Nurses First will launch the Easypay VISA credit card into the Melbourne market later this year, providing members with a competitive, low cost credit card option.

Our Community

Police & Nurses Credit Society is proud to support the community and is involved with several community initiatives in our core bond areas including Bluey Day, Crimestoppers, WA Police Officer of the Year, Australian Nursing Federation and the State School Teachers' Union of WA.

The Society has also proudly supported the Cancer Council's Relay for Life fundraising initiative for the past four years and this year we were named the highest fundraiser for the event.

Another community initiative Police & Nurses is proud to offer is our annual High School Scholarships designed to encourage and reward outstanding students. Each year two scholarships are awarded to students who are members of Police & Nurses or the child of a member and entering Year 11 and previous winners may receive a further year of support after satisfactory performance.

Our Future

The coming year will present further challenges and opportunities for Police & Nurses Credit Society as we continue to expand our financial services. More Financial Centres and Finance Shops are planned for the metropolitan area and the next location will be established at Lakeside Shopping Centre in Joondalup. We will also continue expanding our Cashlink ATM network throughout the state.

The Society will commence implementation of a new core banking system, which will bring major changes to the organisation, improve internal processes and most importantly enhance our ability to deliver services to members. The new core banking system will be introduced in stages across the organisation and extensive staff training will be undertaken to ensure a seamless transition to the new system.

Pertaining to our commitment to helping people achieve financial freedom, Police & Nurses will also be introducing a new budget advice service for members, to assist them with better management of their finances. The budgeting service will soon be available for our members use at Financial Centres and Finance Shops.

Acknowledgements

The continued strong standing of Police & Nurses Credit Society demonstrates the efforts and commitment of my management team and staff. I would also like to acknowledge the support and guidance of the Board of Directors, whose dedication and vision has made a significant contribution to the Society's success.

We have achieved much in a challenging year and I would like to sincerely thank all who have contributed to building Police & Nurses to its current standing as the largest Western Australian owned retail financial institution.

Report of the Directors

Your directors present their report on the financial statements of Police & Nurses Credit Society Ltd ("the Society") and Police & Nurses Credit Society Ltd and its controlled entities ("the Group") for the year ended 30 June 2004.

Corporate Governance

The Board of Directors ("the Board") is responsible for the corporate governance of the Group. To ensure the Board can fulfil its responsibilities, it has established guidelines for the operations of the Board and a framework for ensuring internal control and business risk management processes are adequate and ethical standards are appropriate. Unless otherwise stated, all these practices were in place for the entire financial year.

Operations of the Board of Directors

Corporate governance responsibilities of the Board include:

- Contributing to, evaluating, approving and monitoring strategic direction and business objectives as developed by management.
- Monitoring the Group's progress against agreed performance measures linked to business objectives and strategies, and comparing these with those of peers in the marketplace.
- Contributing to and enhancing the reputation and image of the Group to members/shareholders, the marketplace and the community at large.
- Ensuring required frameworks are in place including risk and capital management policies, internal controls, compliance and public reporting.
- Accepting accountability to members/shareholders and responsibility to other stakeholders in the Group.

Directors

The following persons held office as directors of the Society during the year and at the date of this report:

Eric Laurence SMITH FAICD, (Chairman)



Police Senior Sergeant, Certificate in Police Studies, Diploma of Policing, Adv Diploma of Business Management, Diploma of Criminal Investigations, Diploma of Public Safety (Policing), 10 years service as a Credit Society Director; 28 years service as a Police Officer. Audit Committee member.

Michael James DEAN Dip Police Studies (Appointed 27 October 2003)



General President WA Police Union, 32 years service as a Police Officer. Board Governance Committee member.

Edward John BILLING APM FAIM FAICD, (Deputy Chairman)



Retired Assistant Commissioner of Police (retired 1993), Grad. Australian Police College - Senior Officers' Course & Senior Executive Police Officers' Course, 11 years service as a Credit Society Director; 43 years service as a Police Officer. Audit Committee member.

Paul Marshall GABB B.Com(Accounting), CPA, FAICD



Financial Analyst - Australian Federal Police, 6 years service as a Credit Society Director; 18 years service in Law Enforcement. Audit Committee member for part of the year and Board Governance Committee member.

Frederick James COMPTON FAICD



Retired Police Superintendent, Grad. Australian Police College - Senior Officers' Course & Senior Executive Police Officers' Course, 25 years service as a Credit Society Director; 38 years service as a Police Officer. Board Governance Committee member.

Maureen Teresa HINTON RN B App Sc(Nursing) Grad Dip HSc MPH



Staff Educator; 17 years service as a Credit Society Director; 39 years service in the nursing/health/education professional arena. Board Governance Committee Chairman.



Report of the Directors

Craig Anthony HYNES *B.Com, Diploma Fire Eng. Mgmt*



(Resigned 27 October 2003)
Director Fire Services Country for the Fire and Emergency Services Authority, Grad. Certificate of Applied Management, 6 years service as a Credit Society Director.

Stephen John MELVILLE *B.Bus(Accounting) FCPA*



10 years service as a Credit Society Director, 21 years service in accounting, customer services and marketing. Audit Committee Chairman.

Elizabeth Anne MANLEY *RN RM B App Sc(Nursing) MBA*



FRCNA FAICD
CEO & Director of Nursing, 4 years service as a Credit Society Director, 33 years service in the nursing/health profession. Audit Committee member.

Ann Maree RIAL *RN RM ICNC GC FAICD*



Clinical Nurse Manager, 17 years service as a Credit Society Director, 31 years service in the nursing/health profession. Corporate Governance Committee member.

Each director holds one member share in the Society.

Composition and Meetings of the Board

The Board's composition, its meetings and conduct are determined in accordance with the Society's constitution, and the following -

- The Board is comprised of 9 non-executive members with an appropriate range of expertise, skills and qualifications.
- Each Board member maintains their own skills relevant to the business of the Society.
- The Board has a process for the evaluation of its own and the individual Board member's performance.

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the year ended 30 June 2004 and the number of meetings attended by each director:

Director	Directors' Meetings		Audit Committee Meetings		Board Governance Committee Meetings	
	A	B	A	B	A	B
E L Smith	12	10	4	3	*	*
E J Billing	12	11	4	3	*	*
F J Compton	12	10	*	*	5	1
M J Dean	8	5	*	*	5	2
P M Gabb	12	12	2	2	5	5
MT Hinton	12	11	*	*	5	5
C A Hynes	4	4	*	*	*	*
E A Manley	12	12	4	4	*	*
S J Melville	12	12	4	4	*	*
A M Rial	12	10	*	*	5	5

A - Number of meetings held during the time the director held office or was a member of the committee during the year

B - Number of meetings attended

* - Not a member of the relevant committee

Director Induction Program

The Directors have established a comprehensive induction program for newly elected or appointed Directors. The program assists new Directors to gain an understanding of the Group's operations and the financial environment.

The Directors also participate in further education to ensure that, in accordance with both strategic and regulatory business, they are capable of discharging the responsibilities of their office.

Report of the Directors

Directors' Remuneration

The Board member is remunerated as per Division 17 of the constitution. The total remuneration for the Board is determined each year by the members/shareholders at the annual general meeting and divided amongst the Directors in such a manner as the Board determines.

Audit Committee

The Board has established an Audit Committee to assist in the execution of its responsibilities. The Committee comprises four Board members and the Chief Executive Officer. This Committee has written terms of reference, which outline its role and responsibilities to enable it to assist the Board in relation to:

- the establishment and maintenance of an internal control framework;
- the establishment and maintenance of a risk management framework; and
- the reliability and integrity of financial information for inclusion in public financial statements.

The Committee reports to the full Board after each Committee meeting.

Board Governance Committee

The Board has established a Board Governance Committee (previously known as Corporate Governance Committee) to assist it by providing informed feedback to the Board on the Board's performance and to establish a framework to assist the Board to assess the performance of each Director on the Board and the Chief Executive Officer. The committee comprises a minimum of four directors.

The Committee reports to the full Board after each Committee meeting.

Group Risk Management

The purpose of Group risk management, which includes all subsidiaries of the Society, is to ensure that appropriate strategies and processes are developed to mitigate risks to the organisation.

Our risk management systems are maintained with the aim of achieving the following goals:

- identify, analyse and manage risk;
- through risk records provide a clear picture of the risk profile of the Group; and
- provide relevant information to management and the Board for decision making.

All business managers are responsible for risk management in their day-to-day activities and use the risk management framework which assists to appropriately balance both risk and reward components.

Ethical Standards

Board members are expected to act in accordance with any Board approved Code of Conduct.

Any Board member who has a material pecuniary or non-pecuniary interest in any matter before the Board will neither be present at the Board meeting while the matter is considered nor vote on the matter.

Principal Activities

The principal activities of the Group and the Society were the provision of financial and associated services to members and there was no significant change in these activities during the year.

Review of Operations

During the financial year, total assets of the Group increased by \$138.867 million to \$975.391 million, members' deposits increased by \$79.270 million to \$791.293 million and loans and advances increased by \$122.533 million to \$845.442 million.

The Group received \$1.000 million from the sale of the rights to manage a portfolio of loans.

The net profit of the Group and the Society for the financial year after income tax and before outside equity interest was \$7.720 million (2003: \$10.007 million) and \$9.421 million (2003: \$11.868 million) respectively.

During the year specific provisions of \$2.439 million (2003: \$1.700 million) for the Group and \$2.412 million (2003: \$1.700 million) for the Society were charged against profit. As stated in Note 7, the Society will pursue potential claims against a third party to recover approximately \$2.289 million of potential losses.

Pursuant to the Rules of the Society, no dividend has or shall be paid in respect of any share.

Future Development and Results

Future financial periods are likely to include further improvements in the provision of services to members and a managed growth in financial performance.

Report of the Directors

Bad and Doubtful Debts

Before the financial statements were made out, the directors took reasonable steps to ascertain what action had been taken in relation to the writing off of bad debts and the making of provisions for impairment and have caused all known bad debts to be written off and adequate provision to be made for impairment.

Assets

Before the financial statements were made out, the directors took reasonable steps to ascertain whether any assets were unlikely to realise in the ordinary course of business their value as shown in the accounting records and at the date of this report they are not aware of any circumstances which would render the value attributed to any assets in the financial statements misleading.

Significant Changes

The Society entered into a commercial mortgage securitisation program in October 2003, and established the Pinnacle Commercial Warehouse Trust No. 1 (the Trust) to purchase commercial mortgage loans originated by the Society. As the Society controls the Trust, it is consolidated as part of the Group for the 2004 financial year.

The Trust raised borrowings to fund the purchase of the commercial mortgage loans and as a result, borrowings for the Group have increased significantly from the previous year due to the consolidation of the Trust.

Events Subsequent to the End of the Financial Year

On 26 July 2004, the Directors passed resolutions to purchase and implement the Phoenix core banking system from Data Action for a total project cost of \$4.500 million and commit to a seven year contract for maintenance and support and to host the system at Data Action for a contract term of five years. The financial effect of these events have not been brought to account at 30 June 2004.

No other matter or circumstance has arisen since the end of the financial year that has or may significantly affect the operations, results of those operations, or the state of affairs of the Group or the Society.

Environmental Regulation

The Group is subject to environmental regulation in respect of its land and unit developments. All developments have been undertaken in compliance with the necessary planning and environmental regulation.

Register of Directors' Interests

The Society keeps a register containing information about the directors, including details of each director's interest in securities issued by the Society. The register is open for inspection:

- by any member of the Society, without fee; and
- by any other person, on payment of the amount (if any) prescribed by the Society's rules.

Insurance of Officers

During the year, a premium was paid in respect of a contract insuring directors and officers of the company against liability. The officers of the company covered by the insurance contract include the directors, executive officers, company secretary and employees. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

Rounding of Amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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

E L SMITH

Director

23 September 2004

PERTH WA

E J BILLING

Director

Statements of Financial Performance

YEAR ENDED 30 JUNE 2004

	Notes	CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
INTEREST REVENUE	2(a)	59,891	52,844	58,479	53,643
INTEREST EXPENSE	2(a)	30,318	24,937	28,528	24,925
NET INTEREST REVENUE		29,573	27,907	29,951	28,718
Loan fee income		6,740	10,469	5,664	8,773
Other fee income		11,474	10,475	11,612	10,293
Insurance commissions		1,182	1,022	1,168	987
Other commissions		1,107	1,563	1,077	1,326
Share of net profit of associates	22	392	383	-	-
Bad debts recovered		146	107	146	107
Proceeds on sale of plant and equipment		435	314	434	301
Revenue from sale of land & unit development		3,635	5,188	-	-
Dividend income		96	-	2,321	2,400
Proceeds from sale of rights - loan portfolio	2(c)	1,000	-	-	-
Other income		221	316	215	329
NON-INTEREST REVENUES		26,428	29,837	22,637	24,516
TOTAL REVENUE FROM ORDINARY ACTIVITIES		56,001	57,744	52,588	53,234
BAD AND DOUBTFUL DEBTS	7(d)	1,539	3,124	1,539	3,124
OTHER EXPENSES FROM ORDINARY ACTIVITIES					
Amortisation		30	14	-	-
Auditor's remuneration	21	290	252	234	228
Borrowing costs		916	359	916	359
Depreciation		2,323	2,375	2,309	2,350
Fees and commissions		6,976	6,177	6,506	6,027
Land & unit development costs	2(b)	2,751	3,746	-	-
Personnel costs		13,927	13,335	13,354	12,313
Other general and administration costs		12,063	10,274	11,065	9,655
Book value of disposed property, plant & equipment		497	277	490	265
Provision for employee benefits		717	408	694	381
Rental - operating leases		1,939	1,716	1,908	1,718
Superannuation contributions		1,357	1,242	1,310	1,166
TOTAL EXPENDITURE		45,352	43,299	40,325	37,586
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		10,676	14,445	12,263	15,648
INCOME TAX EXPENSE	3	2,956	4,438	2,842	3,780
NET PROFIT		7,720	10,007	9,421	11,868
NET (PROFIT) / LOSS ATTRIBUTABLE TO OUTSIDE EQUITY INTEREST	24	81	2	-	-
NET PROFIT ATTRIBUTABLE TO MEMBERS		7,801	10,009	9,421	11,868

The above statements of financial performance should be read in conjunction with the accompanying notes.

Statements of Financial Position

AS AT 30 JUNE 2004

	Notes	CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
ASSETS					
Cash and liquid assets	4	9,110	6,088	8,229	6,035
Receivables due from other financial institutions	5	84,000	76,500	84,000	76,500
Other receivables	6	4,099	2,445	1,849	1,391
Loans and advances	7	845,442	722,909	797,039	722,909
Inventories	8	10,838	8,961	-	-
Other investments	9(a)	5,745	8,228	6,471	6,471
Property, plant and equipment	10	12,663	8,121	6,016	5,652
Other	11	3,494	3,272	20,899	14,506
TOTAL ASSETS		975,391	836,524	924,503	833,464
LIABILITIES					
Members' deposits	12	791,293	712,023	791,520	712,093
Accounts payable and other liabilities	13	34,489	18,626	30,121	19,873
Borrowings	14	52,380	14,080	6,000	12,166
Provisions	15	2,438	4,804	2,416	4,307
TOTAL LIABILITIES		880,600	749,533	830,057	748,439
NET ASSETS		94,791	86,991	94,446	85,025
MEMBERS' FUNDS					
Reserves	16	85,356	75,276	85,356	75,276
Retained profits	16(c)	9,004	11,283	9,090	9,749
Outside equity interest in controlled entities	24	431	432	-	-
TOTAL MEMBERS' FUNDS		94,791	86,991	94,446	85,025

The above statements of financial position should be read in conjunction with the accompanying notes.

Statements of Cash Flows

YEAR ENDED 30 JUNE 2004

Notes

	CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received from loans	58,383	46,688	56,072	46,688
Interest received from investments	4,334	3,477	5,234	4,275
Commissions and other income received	24,345	28,086	20,202	21,334
Borrowing costs - members	(26,021)	(22,798)	(26,021)	(22,798)
Borrowing costs - banks	(2,319)	(1,123)	(577)	(1,124)
Payments to employees and suppliers	(35,316)	(37,372)	(37,721)	(31,981)
Income tax paid	(6,234)	(3,716)	(5,904)	(3,484)
NET CASH PROVIDED BY OPERATING ACTIVITIES	17,172	13,242	11,285	12,910
CASH FLOWS FROM INVESTING ACTIVITIES				
Net increase in loans, advances and other receivables	(120,581)	(86,900)	(72,177)	(86,900)
Dividends received	96	-	96	-
Proceeds from sale of fixed assets	435	314	435	301
Net movement in interest earning deposits	(7,500)	(16,100)	(7,500)	(16,100)
Net movement in other investments	2,845	(2,136)	-	(136)
Payments for fixed assets	(7,362)	(5,844)	(3,153)	(3,405)
Proceeds from sale of rights - loan portfolio	267	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(131,800)	(110,666)	(82,299)	(106,240)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net increase in member deposits	79,252	106,998	79,410	106,891
Net movement in bank loans	38,966	(14,578)	(5,500)	(16,492)
Member shares issued	98	110	98	110
Net movement in loans to controlled entities	-	-	(54)	(1,622)
Net movement in loans to associates	80	503	-	-
Member shares redeemed	(80)	(87)	(80)	(87)
NET CASH PROVIDED BY FINANCING ACTIVITIES	118,316	92,946	73,874	88,800
Net increase/(decrease) in cash held	3,688	(4,478)	2,860	(4,530)
Cash at the beginning of the year	5,422	9,900	5,369	9,899
CASH AT THE END OF THE YEAR	9,110	5,422	8,229	5,369

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

30 JUNE 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), the Corporations Act 2001 and the historical cost convention. Such convention has no regard either to the changing value of money, or to the increased cost of replacing operating capability used in operations. Comparative information is reclassified where appropriate to enhance comparability.

The Australian Accounting Standards Board ("AASB") is adopting International Financial Reporting Standards ("IFRS") for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the Group's financial statements for the year ending 30 June 2006. Information about how the transition to Australian equivalents to IFRS is being managed, and the key differences in accounting policies that are expected to arise, is set out in Note 1(r).

(a) Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Society ("parent entity") and its controlled entities (Note 9(b)) as defined by AASB 1024 "Consolidated Accounts". The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statement of financial performance and consolidated statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance 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.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses of associates is recognised in the consolidated statement of financial performance, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

(b) Bad and doubtful debts

Bad debts are written off as they arise. The specific provision for impairment is calculated using a dynamic credit risk system. The credit risk system percentages applied have been determined by both delinquency and write off rates for each loan portfolio.

In addition to the above specific provision, the Board has recognised the need to make a general provision against loans to address latent losses known to exist in the credit portfolio but which cannot be ascribed to individual facilities. The general provision is also determined using the credit risk system. This approach is in accordance with APRA Credit Quality standard APS 220, which requires the general provision to be prudent and based on a systematic approach to calculation, which is consistent and adequately documented. The credit risk system methodology results in a higher provision than that calculated under the provision guidelines and recommendations of APRA.

(c) Depreciation

Except for freehold land which is not depreciated, depreciation is calculated on a straight line basis so as to write off the cost of each item of property, plant and equipment over its expected useful life. The expected useful lives are as follows:

Buildings	40 years
Leasehold Improvements	3 - 7 years
Plant and Equipment	3 - 7 years

(d) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.

Notes to the Financial Statements

(e) Investments

Interests in unlisted securities, other than controlled entities and associates in the consolidated financial statements, are brought to account at cost and dividend income is recognised in the statement of financial performance when receivable. Controlled entities and associates are accounted for in the consolidated financial statements as set out in Note 1(a).

(f) Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over the period during which the benefits are expected to arise.

(g) Recoverable amount of assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying value of an asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in the reporting period in which the recoverable amount write-down occurs. The expected net cash flows included in determining recoverable amounts are not discounted.

(h) Income tax

Tax effect accounting is adopted whereby income tax expense is matched with operating profit after allowing for permanent differences. Future income tax benefits relating to timing differences are not brought to account unless the benefit is virtually certain of realisation. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation legislation

The Society and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this decision.

As a result, the Society, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under an accounting tax sharing agreement with the tax consolidated entities are recognised separately as tax related amounts receivable or payable. Expenses and revenues arising under the tax sharing agreement are recognised as a component of income tax expense or revenue.

The tax deferred balances recognised by the parent entity in relation to wholly-owned entities joining the tax consolidated group are measured based on their carrying amounts at the level of the tax consolidated group before the implementation of the tax consolidation regime.

(i) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Liabilities arising in respect of wages and salaries and annual leave expected to be settled within twelve months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

For staff who receive their entitlement to long service leave after seven years of service, provision is made for pro-rata entitlements at current pay rates after three years of service, and for staff who receive their entitlement after ten years, provision is made after five years, on the basis that this method approximates that prescribed by AASB1028 "Employee Benefits", which uses future pay rates and discounted cash flows.

Notes to the Financial Statements

(j) Rights - loan portfolios

The amortisation is calculated so as to write off the cost of the acquisition in direct correlation to the receipt of the income stream.

(k) Interest

Interest on members' loans is calculated on an accrual basis except for non performing loans where interest is reduced to nil. Interest on members' deposits is calculated on an accrual basis and the accrual is included in the value of members' deposits disclosed in these financial statements.

(l) Cash

For purposes of the statements of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(m) Revenue recognition

Interest income is recognised as described in Note 1(k).

Commissions and fees are recognised on an accrual basis.

For land and unit development activities, where the outcome of a project can be reliably estimated, revenue and expenses are recognised by applying the percentage of completion method to that proportion of the project represented by the individual lots of property sold, as prescribed under Urgent Issues Group Consensus View Abstract 53. The proportion of the project to which the percentage of completion method is applied is determined as the ratio of the total expected revenue from the units sold to the total expected project revenue. Percentage of completion is measured by reference to project costs incurred to date as a percentage of estimated total project costs for each development.

Dividends receivable from controlled entities are recognised at the time such dividends are finalised, declared and approved by the controlled entity.

(n) Inventories

Land held for resale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, and development and borrowing costs during development. When development is complete borrowing costs and other holding expenses are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(o) Joint ventures

Joint Venture Operations

The proportionate interests in the assets, liabilities, income and expenses of joint venture operations have been incorporated in the financial statements under the appropriate headings. Details of the joint ventures are set out in Note 23.

(p) Interest rate swaps

Interest rate swaps are used in order to avoid or minimise possible adverse financial effects of movements in interest rates. It is the Society's policy not to recognise assets or liabilities in relation to interest rate swaps in the financial statements. Net receipts and payments are recognised as an adjustment to interest expense.

(q) Acquisition of assets

The purchase method of accounting is used for all assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

(r) International Financial Reporting Standards ("IFRS")

The Australian Accounting Standards Board ("AASB") is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to

Notes to the Financial Statements

IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the Group's financial statements for the year ending 30 June 2006.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The Group has established a project team to manage the transition to Australian equivalents to IFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The project team has prepared a detailed timetable for managing the transition and has identified a number of accounting policy changes that will be required.

Major changes identified to date that will be required to the Group's existing accounting policies include the following:

- **Income tax**

Deferred tax balances will be determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

- **Fee Revenue**

More stringent rules governing the accounting for fee income will result in more fees being deferred on initial payment, and recognised either as an adjustment to yield or over the period of service. On initial application, certain fees that have previously been recognised in the statement of financial performance will be recognised in the statement of financial position, with a corresponding adjustment to retained earnings.

This will result in a change to the current accounting policy, under which fee revenue are recognised on an accrual basis.

- **Loan Provisioning**

IFRS adopts an approach known as "incurred losses" for loan provisioning and provides guidance on measurement of incurred losses. Provisions are raised for losses that have already been incurred for loans that are known to be impaired. The estimated losses on these impaired loans are then discounted to their present value. As this discount unwinds, there is a resulting recognition of interest in the statement of financial performance based upon the original effective interest rate.

Loans found not to be impaired are placed into pools of similar assets with similar risk characteristics to be collectively assessed for impairment. The required provision is estimated on the basis of historical loss experience for assets with credit characteristics similar to those in the collective pool. The historical loss experience is adjusted based on current observable data.

This will result in a change to the current accounting policy, under which a general provision is recognised against loans to address latent losses known to exist in the credit portfolio but which cannot be ascribed to individual facilities.

- **Securitisation**

IFRS introduces new requirements for the recognition of financial assets, including those transferred to a special purpose vehicle for securitisation. Existing securitisations, both of our own assets and of our customers' assets, require review to determine whether they are grandfathered under IFRS, and if not, an assessment of the accounting treatment that will be required under IFRS. Further, a different interpretation of the consolidation rules applicable to special purpose vehicles may result in some vehicles being consolidated by the Group.

Notes to the Financial Statements

- **Hedging**

All derivative contracts, whether used as hedging instruments or otherwise, will be carried at fair value on the Group's statement of financial position. Australian equivalents of IFRS recognise fair value hedge accounting, cash flow hedge accounting and hedges of investments in foreign operations. Fair value and cash flow hedging can only be applied when effectiveness tests are met. Ineffectiveness could prevent the use of hedge accounting and/or result in significant volatility in the statement of financial performance.

- **Intangible assets - goodwill**

Amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing focusing on the cash flows of the related cash generating unit.

This will result in a change to the current accounting policy, under which goodwill is amortised on a straight line basis over the period during which the benefits are expected to arise.

- **Capital measurement**

Many of the changes described above will impact on the Group's assets and equity. Asset and equity measurements are currently central to the capital adequacy requirements set by prudential regulators. The Group expects that APRA will revise the capital measurement rules in response to these changes. However, it is currently unclear how capital measurement will be impacted.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian equivalents to IFRS, as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons, it is not yet possible to quantify the impact of the transition to Australian equivalents to IFRS on the Group's financial position and reported results.

(s) Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of our creditors.

(t) Loan securitisation

The Group, through its loan securitisation program, packages and sells loans (principally housing mortgage loans) as securities to investors. In such transactions the Group receives fees for various services provided to the program on an arm's length basis, including servicing fees, management fees and trustee fees. These fees are recognised over the period in which the relevant costs are borne. The Group also provides arm's length interest rate swaps and liquidity facilities to the program in accordance with APRA Prudential Guidelines. In addition, the Group may receive residual income, comprising mortgage loan interest (net of swap payments) not due to the investors less trust expenses.

The timing and amount of the swap cash flows and the residual income cannot be reliably measured because of the significant uncertainties inherent in estimating future repayment rates on the underlying mortgage loans and the mortgage loan interest margins. Consequently, the swaps and the residual income receivable are not recognised as assets and no gain is recognised when loans are sold. The swap income/expense and residual income are therefore recognised when receivable/payable. The residual income is included on other non-risk fee income as profit on the sale of loans.

Where the loans are securitised to a Trust controlled by the Society, the Trust will be consolidated as part of the Group (Note 1(a)). The loans sold by the Society to the Trust and borrowings raised by the Trust will be included in the Group's loans and borrowings balances in Note 7 and 14 respectively.

(u) Rounding of Amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Notes to the Financial Statements

30 JUNE 2004

2. OPERATING PROFIT

The following tables show the average balance for each of the major categories of interest bearing assets and liabilities, the amount of interest revenue or expense and the average interest rate. Monthly averages are used provided they are representative of the Society's operations during the year:

(a) Interest Revenue and Interest Expense

CONSOLIDATED						
	2004			2003		
	Average Balance	Interest	Average Interest	Average Balance	Interest	Average Interest
	\$'000	\$'000	Rate %	\$'000	\$'000	Rate %
Interest earning assets						
Deposits and investments	91,624	4,696	5.12%	72,878	3,513	4.82%
Loans and advances	779,737	55,195	7.08%	682,991	49,331	7.22%
	871,361	59,891	6.87%	755,869	52,844	6.99%
Interest bearing liabilities						
Members' deposits	756,510	27,951	3.69%	670,198	23,971	3.58%
Borrowings	37,277	2,367	6.35%	18,605	966	5.19%
	793,787	30,318	3.82%	688,803	24,937	3.62%
Net interest income	29,573			27,907		
Average interest earning assets	871,361			755,869		
	2004			2003		
Net interest margin (1)	3.39%			3.69%		
Spread (2)	3.05%			3.37%		

(1) Net interest margin represents net interest income as a percentage of average interest earning assets.

(2) Spread represents the difference between the average interest rates earned and paid.

(b) Cost of sales of land and unit development

(c) Gain from sale of rights - loan portfolio

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004	2003	2004	2003
\$'000	\$'000	\$'000	\$'000
2,751	3,746	-	-
1,000	-	-	-

Notes to the Financial Statements

30 JUNE 2004

3. INCOME TAX

Operating profit before income tax	Prima facie income tax calculated at 30%	Tax effect of permanent differences:	
Non-deductible expenses	Non-deductible amortisation	Rebate on dividend income	Sundry items
Income tax adjusted for permanent differences	Tax effect of timing differences not recognised	Over provision in previous year	Income tax attributable to operating profit before impact of tax consolidation
Loss from ordinary activities before income tax expense - tax consolidated group (excluding parent entity)	Income tax calculated at 30%	Tax effect of permanent differences:	
Income tax expense - tax consolidated group (excluding parent entity)	Compensation receivable from tax consolidated group entities	Compensation payable to tax consolidated group entities	Income tax expense attributable to profit from ordinary activities
Franking credits based on a tax rate of 30%			

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
10,676	14,445	12,263	15,648
3,202	4,334	3,678	4,694
70	50	68	37
9	4	-	-
-	-	(660)	(720)
(285)	68	-	(25)
2,996	4,456	3,086	3,986
-	(2)	-	-
(40)	(16)	-	(206)
2,956	4,438	3,086	3,780
		(1,539)	-
		(462)	-
		3	-
		9	-
		360	-
		(90)	-
		(90)	-
		2,996	-
		(228)	-
		74	-
2,956	4,438	2,842	3,780
21,949	15,775	21,949	15,033

Tax consolidation legislation

The Society and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this decision. The accounting policy on implementation of the legislation is set out in Note 1(h).

The wholly-owned entities will be compensating the Society for deferred tax liabilities assumed by the Society on the date of the implementation of the legislation and will be compensated for any deferred tax assets transferred to the Society.

The entities will also enter into a tax sharing agreement. Under the proposed terms of this agreement, the wholly-owned entities will reimburse the Society for any current income tax payable by the Society arising in respect of their activities. The reimbursements will be payable at the same time as the associated income tax liability falls due and have therefore been recognised as a current tax-related receivable by the Society (see Note 11). In the opinion of the directors, the tax sharing agreement will be a valid agreement under the tax consolidation legislation and will limit the joint and several liability of the wholly-owned entities in the case of a default by the Society.

Franking credits of \$742,000 were transferred from wholly-owned entities to the Society at the time these entities entered the tax consolidated group on 1 July 2003.

Notes to the Financial Statements

30 JUNE 2004

Notes

4. CASH AND LIQUID ASSETS

Cash on hand

Cash and deposits at call with banks

Cash and deposits at call with other ADIs

5. RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS

Interest earning deposits - other ADIs

Maturity Analysis

Not longer than 3 months

Longer than 3 and not longer than 12 months

Longer than 1 and not longer than 5 years

6. OTHER RECEIVABLES

Interest receivable

Debtors from sale of land & unit developments

Other

7. LOANS AND ADVANCES

Revolving Credit

Term Loans

Related parties

7(a)

7(b), 7(c)

Provision for impairment

7(d)

Net loans and advances

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
5,974	3,031	5,969	3,029
1,310	1,718	434	1,668
1,826	1,339	1,826	1,338
9,110	6,088	8,229	6,035
84,000	76,500	84,000	76,500
52,000	51,500	52,000	51,500
20,000	6,000	20,000	6,000
12,000	19,000	12,000	19,000
84,000	76,500	84,000	76,500
971	691	971	691
-	110	-	-
3,128	1,644	878	700
4,099	2,445	1,849	1,391
87,610	102,800	88,071	102,800
764,029	625,419	714,900	625,419
771	845	771	845
852,410	729,064	803,742	729,064
(6,968)	(6,155)	(6,703)	(6,155)
845,442	722,909	797,039	722,909

During the financial year the Society sold mortgage loans via securitisation programs. The Society continues to manage these loans and derives management fee income. As at 30 June 2004 securitised loans under management by the Society amounted to \$386,609,257 (2003: \$377,356,810). This includes \$49,129,364 (2003: Nil) of loans securitised to the Pinnacle Commercial Warehouse Trust No.1 which is consolidated as part of the Group (Note 9(c)).

(a) Aggregate amounts receivable from related parties:

Directors and director-related entities

Provision for impairment

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
771	845	771	845
-	-	-	-
771	845	771	845

Notes to the Financial Statements

30 JUNE 2004

Notes

7. LOANS AND ADVANCES (cont'd)

(b) Maturity Analysis

Not longer than 3 months	17,187	18,599	16,232	18,599
Longer than 3 and not longer than 12 months	51,548	55,824	48,684	55,824
Longer than 1 and not longer than 5 years	152,213	161,238	143,648	161,238
Longer than 5 years	631,462	493,403	595,178	493,403
	852,410	729,064	803,742	729,064

(c) Concentration of Risk

The loan portfolio of the Society does not include any loan which represents 10% or more of capital.

The Society has an exposure to groupings of individual loans which concentrate risk and create exposure to particular segments as follows:

WA State government employees	297,437	228,067	296,988	228,067
Other	554,973	500,997	506,754	500,997
	852,410	729,064	803,742	729,064

(d) Provision for impairment

General provision

Opening balance	3,551	2,645	3,551	2,645
Bad debts previously provided for written off during the year	(344)	(518)	(344)	(518)
Bad and doubtful debts provided for/(reversed) during the year	(900)	1,424	(1,138)	1,424
Closing balance	2,307	3,551	2,069	3,551

Specific provision

Opening balance	2,604	1,530	2,604	1,530
Bad debts previously provided for written off during the year	(382)	(626)	(382)	(626)
Bad and doubtful debts provided for during the year	2,439	1,700	2,412	1,700
Closing balance	4,661	2,604	4,634	2,604

Total provision for impairment

	6,968	6,155	6,703	6,155
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Charge/(credit) to statements of financial performance for bad and doubtful debts comprises:

General provision	(900)	1,424	(1,138)	1,424
Specific provision	2,439	1,700	2,412	1,700
Deferred securitisation receivable provision	-	-	265	-
	1,539	3,124	1,539	3,124

The specific and general provisions for impairment has been determined in accordance with Board policy set under the prudential standards at 30 June 2004.

The Society has put an independent professional adviser on notice that it intends to pursue action to seek full recovery of a potential loss of approximately \$2.289 million that is currently fully provided for in the financial statements. Legal advice indicates that the Society has a strong case in this action.

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
17,187	18,599	16,232	18,599
51,548	55,824	48,684	55,824
152,213	161,238	143,648	161,238
631,462	493,403	595,178	493,403
852,410	729,064	803,742	729,064
297,437	228,067	296,988	228,067
554,973	500,997	506,754	500,997
852,410	729,064	803,742	729,064
3,551	2,645	3,551	2,645
(344)	(518)	(344)	(518)
(900)	1,424	(1,138)	1,424
2,307	3,551	2,069	3,551
2,604	1,530	2,604	1,530
(382)	(626)	(382)	(626)
2,439	1,700	2,412	1,700
4,661	2,604	4,634	2,604
6,968	6,155	6,703	6,155
(900)	1,424	(1,138)	1,424
2,439	1,700	2,412	1,700
-	-	265	-
1,539	3,124	1,539	3,124

Notes to the Financial Statements

30 JUNE 2004

7. LOANS AND ADVANCES (cont'd)

(e) Impairment of Loans and Advances

Non accrual loans

Balances with specific provisions for impairment

Specific provision for impairment

Net non accrual loans

Restructured Loans

Past Due Loans - 90 days

The interest and other revenue forgone on impaired loans during the year was \$943,660 (2003 - \$372,788)

(f) Bad Debts Written Off

Bad debts written off during the year were from the following loan types:

Revolving credit

Personal loans

Housing loans

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
9,034	4,996	9,034	4,996
(3,316)	(1,201)	(3,316)	(1,201)
5,718	3,795	5,718	3,795
352	22	352	22
128	40	128	40
185	293	185	293
458	851	458	851
83	-	83	-
726	1,144	726	1,144

8. INVENTORIES

2004

Land held for sale

Group Inventory

Share of Joint Venture Inventory

2003

Land held for sale

Group Inventory

Share of Joint Venture Inventory

CONSOLIDATED			
Land Acquisition Costs \$'000	Holding Costs \$'000	Development Costs \$'000	Total \$'000
735	-	111	846
9,471	54	467	9,992
10,206	54	578	10,838
734	95	730	1,559
7,245	11	146	7,402
7,979	106	876	8,961

Notes to the Financial Statements

30 JUNE 2004

9. OTHER INVESTMENTS

(a) Other investments

Investments in CUSCAL	4,813	4,813	4,813	4,813
Controlled entities	-	-	658	658
Investments in associates (Note 22)	930	3,383	1,000	1,000
Rights -loan portfolios	-	872	-	-
Less provision for amortisation	-	(842)	-	-
Other	2	2	-	-
	5,745	8,228	6,471	6,471

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
4,813	4,813	4,813	4,813
-	-	658	658
930	3,383	1,000	1,000
-	872	-	-
-	(842)	-	-
2	2	-	-
5,745	8,228	6,471	6,471

(b) Investment in controlled entities

All controlled entities are incorporated in Australia and are ultimately controlled by the Society. The controlled entities are as follows:

Notes	Interests in Controlled Entities - Ordinary Shares		Shares Held in Controlled Entities		Shares Held in Controlled Entities	
	2004 %	2003 %	Held by the Society 2004 \$	Held by Other Controlled Entities 2004 \$	Held by the Society 2003 \$	Held by Other Controlled Entities 2003 \$
Members Holding Company Pty Ltd	100	100	400,002	-	400,002	-
Advance Settlements Coy Pty Ltd	100	100	1	19,999	1	19,999
Police Employees Travel Pty Ltd	100	100	2	40,000	2	40,000
PCU Trading Pty Ltd	100	100	1	99,999	1	99,999
P&N Landreach Pty Ltd	100	100	1,900	-	1,900	-
Essential Service Homes Pty Ltd	100	100	10,000	-	10,000	-
P&N Management Pty Ltd (previously known as Energy Settlements Pty Ltd)	100	100	60,000	-	60,000	-
Encred Services Pty Ltd	100	100	125,000	-	125,000	-
National Home Loans Pty Ltd	100	100	61,500	-	61,500	-
Jacaranda Gardens Partnership	80	80	-	-	-	-
Pinnacle Commercial Warehouse Trust No.1 (c)	100	-	-	-	-	-
			658,406	159,998	658,406	159,998

(c) Pinnacle Commercial Warehouse Trust No.1

The Society entered into a commercial mortgage securitisation program in October 2003, and established the Pinnacle Commercial Warehouse Trust No. 1 (the Trust) to purchase commercial mortgage loans originated by the Society. The beneficial interest in the Trust is divided into 3 units: 2 Capital Units and 1 Income Unit. The Capital Units are divided into two classes: 1 Class A Capital Unit and 1 Class B Capital Unit. The Society holds the Income Unit and Class B Capital Unit. The beneficial interest of Class A Capital Unit is limited to a maximum of \$1,000, thereby giving the Society control of the Trust. As a result, the Trust is consolidated as part of the Group for the 2004 financial year:

To fund the initial purchase of the commercial mortgage loans, the Trust issued notes which have been recognised as borrowings in the consolidated financial statements. The Trust withheld deferred consideration of \$4.868 million which will be paid to the Society following settlement of all amounts owing to the Trust's note holders.

Notes to the Financial Statements

30 JUNE 2004

10. PROPERTY, PLANT AND EQUIPMENT

Freehold land

At cost

Buildings under construction

At cost

Leasehold improvements

At cost

Provision for amortisation

Total land and buildings

Plant and equipment

At cost

Provision for depreciation

Total property, plant and equipment

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
1,260	1,260	-	-
5,371	1,162	-	-
6,631	2,422	-	-
2,427	2,136	2,411	2,120
(1,165)	(1,058)	(1,161)	(1,056)
1,262	1,078	1,250	1,064
7,893	3,500	1,250	1,064
14,514	13,335	14,478	13,098
(9,744)	(8,714)	(9,712)	(8,510)
4,770	4,621	4,766	4,588
12,663	8,121	6,016	5,652

Reconciliation of the carrying amounts of each class of property, plant and equipment

Consolidated

Carrying amount at 1 July 2003

Additions

Disposals

Transfers

Depreciation expense

Carrying amount at 30 June 2004

Parent entity

Carrying amount at 1 July 2003

Additions

Disposals

Transfers

Depreciation expense

Carrying amount at 30 June 2004

	Freehold Land	Buildings under Construction	Leasehold Improvements	Plant & Equipment	Plant Equipment In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2003	1,260	1,162	1,078	4,146	475	8,121
Additions	-	4,209	627	2,312	214	7,362
Disposals	-	-	(114)	(383)	-	(497)
Transfers	-	-	-	431	(431)	-
Depreciation expense	-	-	(329)	(1,994)	-	(2,323)
Carrying amount at 30 June 2004	1,260	5,371	1,262	4,512	258	12,663
Carrying amount at 1 July 2003	-	-	1,064	4,113	475	5,652
Additions	-	-	627	2,322	214	3,163
Disposals	-	-	(114)	(376)	-	(490)
Transfers	-	-	-	431	(431)	-
Depreciation expense	-	-	(327)	(1,982)	-	(2,309)
Carrying amount at 30 June 2004	-	-	1,250	4,508	258	6,016

Notes to the Financial Statements

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Notes

11. OTHER ASSETS

Prepayments				
Amounts receivable from controlled entities				
Future income tax benefit				
Tax related amounts receivable from controlled entities				
Deferred securitisation receivable	(a)			
Less provision for impairment	(b)			
Other				

(a) Deferred securitisation receivable

Under the terms of the commercial mortgage securitisation program (Note 9(c)), the Society will not receive the deferred securitisation receivable amount until the Trust has settled all amounts owing to its note holders.

(b) Provision for impairment of deferred securitisation receivable

Receipt of the deferred securitisation receivable is dependent upon losses incurred on the securitised loans. The provision for impairment has been determined in accordance with Group policy as described in Note 1(b).

12. MEMBERS' DEPOSITS

Call deposits				
Term deposits				
Withdrawal shares				
Maturity Analysis				
On call				
Not longer than 3 months				
Longer than 3 and not longer than 12 months				
Longer than 1 and not longer than 5 years				
Longer than 5 years				
Concentration of deposits				
WA State government employees				
Other entities				

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004	2003	2004	2003
\$'000	\$'000	\$'000	\$'000
546	951	542	950
-	-	12,115	11,252
2,676	2,120	2,676	2,103
-	-	217	-
-	-	4,868	-
-	-	(265)	-
272	201	746	201
3,494	3,272	20,899	14,506
283,617	254,411	283,844	254,481
507,002	456,957	507,002	456,957
674	655	674	655
791,293	712,023	791,520	712,093
287,168	255,066	287,395	255,136
344,905	342,314	344,905	342,314
153,374	107,142	153,374	107,142
5,772	7,423	5,772	7,423
74	78	74	78
791,293	712,023	791,520	712,093
159,765	141,184	159,765	141,184
631,528	570,839	631,755	570,909
791,293	712,023	791,520	712,093

The Society's deposit portfolio does not include any deposit which represents 5% or more of total liabilities.

Notes to the Financial Statements

30 JUNE 2004

13. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accrued interest payable
 Amounts payable to controlled entities
 Securitised loan repayments payable
 Other creditors

14. BORROWINGS

Secured

- Overdrafts from other ADIs
- Loans from other ADIs
- Notes payable (refer Note 9(c))

The securities for borrowings from other ADIs are described in Note 19.

The notes were issued to fund the securitisation programme described in Note 9(c). The notes are secured by the underlying securitised loans.

Maturity Analysis

- Not longer than 3 months
- Longer than 3 and not longer than 12 months
- Longer than 1 and not longer than 5 years
- Longer than 5 years

15. PROVISIONS

Taxation
 Deferred income tax liability
 Employee benefits
 Restructuring

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
7,364	5,434	7,364	5,434
-	-	294	1,698
16,063	9,370	16,063	9,370
11,062	3,822	6,400	3,370
34,489	18,626	30,121	19,873
-	666	-	666
7,728	13,414	6,000	11,500
44,652	-	-	-
52,380	14,080	6,000	12,166
8,640	14,080	6,000	12,166
2,735	-	-	-
8,028	-	-	-
32,977	-	-	-
52,380	14,080	6,000	12,166
128	2,858	128	2,642
318	312	318	78
1,992	1,563	1,970	1,516
-	71	-	71
2,438	4,804	2,416	4,307

The provision for restructuring was recognised at the date of the merger with Energy Credit Union Ltd. The balance of \$71,178 at 1 July 2003 has been fully paid during the financial year.

Notes to the Financial Statements

30 JUNE 2004

16. RESERVES AND RETAINED PROFITS

Reserves

General reserve
Share capital reserve

(a) General reserve

- balance at beginning of year
- transfer from retained profits
- balance at end of year

Nature and purpose of general reserve

The general reserve ensures that sufficient capital is retained by the Society to comply with the capital adequacy requirements set by the Australian Prudential Regulation Authority. The reserve is eligible to be included as Tier I capital and meets the minimum level of capital adequacy as required under Prudential Standards 111 and 110 for Authorised Deposit-Taking Institutions.

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
85,000	75,000	85,000	75,000
356	276	356	276
85,356	75,276	85,356	75,276
75,000	65,000	75,000	65,000
10,000	10,000	10,000	10,000
85,000	75,000	85,000	75,000

(b) Share capital reserve

- balance at beginning of year
- transfer from retained profits
- balance at end of year

Nature and purpose of share capital reserve

The share capital reserve reflects the share capital created on redemption of members' withdrawal shares. Under section 254K of the Corporations Act 2001, these redemptions must be made from retained profits. This reserve is also eligible to be included as Tier I capital.

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
276	189	276	189
80	87	80	87
356	276	356	276

(c) Retained profits

Retained profits at the beginning of the financial year
Net profit attributable to members
Total available for appropriation
Aggregate of amounts transferred to reserves
Retained profits at the end of the financial year

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
11,283	11,361	9,749	7,968
7,801	10,009	9,421	11,868
19,084	21,370	19,170	19,836
(10,080)	(10,087)	(10,080)	(10,087)
9,004	11,283	9,090	9,749

Notes to the Financial Statements

30 JUNE 2004

Notes

17. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Reconciliation of the operating profit after tax to the net cash flows from operations

	CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Operating profit after income tax	7,720	10,007	9,421	11,868
Increase in loan interest receivable	(361)	(38)	(361)	(38)
Decrease in investment income receivable	81	11	81	11
Increase in other receivables	(752)	(577)	(178)	(284)
Decrease in debtors from sale of land	110	-	-	-
(Increase)/decrease in inventory	(1,877)	249	-	-
Increase in member interest payable	1,930	1,174	1,930	1,174
Decrease in other interest payable	-	(171)	-	(171)
Increase/(decrease) in accrued expenses and other creditors	10,590	(3,085)	6,379	(2,883)
Depreciation	2,323	2,374	2,309	2,350
Bad and doubtful debts	1,539	3,124	1,539	3,124
Bad debts recovered	(146)	(107)	(146)	(107)
Amortisation - rights - loan portfolios	30	14	-	-
Loss/(gain) on disposal of fixed assets	61	(37)	55	(36)
Dividend received	(96)	-	(2,321)	(2,400)
Share of net profit of associates	(392)	(383)	-	-
Gain on disposal of rights - loan portfolio	(1,000)	-	-	-
Decrease in provision for diminution in investments	-	-	-	(163)
Increase in annual and long service leave provisions	429	67	454	189
(Decrease)/increase in provision for taxation	(2,730)	1,088	(2,514)	923
Increase in future income tax benefit	(556)	(609)	(573)	(638)
Increase in other operating assets	-	-	(217)	-
Increase in deferred income tax	6	244	240	10
Decrease in other provisions	(71)	(126)	(71)	(126)
Decrease/(increase) in sundry debtors and prepayments	334	23	(4,742)	107
Net cash flow from operating activities	17,172	13,242	11,285	12,910
(b) Reconciliation of cash				
Cash balance comprises:				
- Cash	4	9,110	6,088	8,229
- Bank overdraft	14	-	(666)	-
Closing cash balance		9,110	5,422	8,229

Notes to the Financial Statements

30 JUNE 2004

18. EXPENDITURE COMMITMENTS

(a) Capital expenditure commitments

Estimated capital expenditure contracted for at balance date but not provided for

- payable not later than one year

(b) Lease expenditure commitments

Operating leases (non-cancellable)

- not later than 1 year
- later than 1 and not later than 2 years
- later than 2 and not later than 5 years

Aggregate lease expenditure contracted for at balance date

(c) Land development commitments

Estimated land development commitments contracted for at balance date but not provided for

- payable not later than one year

The above commitments include land development commitments of \$457,500 relating to the Two Rocks Joint Venture and \$905,000 relating to South Lake Lot 9.

19. CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

(a) Contingent liabilities

Financial guarantees are issued by the Society to guarantee the payment by a subsidiary to a third party.

Guarantees

(b) Credit related commitments

Approved but undrawn loans and credit limits

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
1,295	1,846	341	369
1,752	1,473	1,752	1,473
1,317	1,237	1,317	1,237
1,732	1,518	1,732	1,518
4,801	4,228	4,801	4,228
1,363	458	-	-
-	601	-	601
126,556	138,858	126,556	138,858

Notes to the Financial Statements

30 JUNE 2004

19. CONTINGENT LIABILITIES AND CREDIT COMMITMENTS (cont'd)

The Society has entered into the following arrangements with:

- i. Credit Union Services Corporation (Australia) Limited and VISA International Services Association to participate in the "VISA Card Programme".
- ii. Credit Union Services Corporation (Australia) Limited to participate in the "Redinet Scheme".
- iii. Credit Union Services Corporation (Australia) Limited to participate in the:
 - Standby Credit Facility: \$22,000,000 (\$6,000,000 used as at 30 June 2004)
 - Fixed Standby Credit Facility: \$13,000,000 (Unused as at 30 June 2004)
 - Multi Option Wholesale Facility (Uncommitted): \$20,000,000 (Unused as at 30 June 2004)
 - Derivatives Guarantee Facility: \$2,000,000 (\$1,445,000 used as at 30 June 2004)
 - Overdraft: \$2,000,000 (Unused as at 30 June 2004)

Under the terms of the above agreements, the Society has executed an equitable mortgage of a fixed and floating charge over all its assets and undertakings except for those assets provided as security for the borrowing facilities set out below. The charge is to secure all monies owing by the Society to the above named organisations. The above facilities are subject to annual review and may be drawn at any time with the exception of the Multi Option Wholesale Facility. The facilities may be withdrawn if terms and conditions of the agreements are breached by the Society.

- iv. Bank of Western Australia Limited - fully fluctuating overdraft facility: \$200,000. This facility was unused at 30 June 2004. This facility may be drawn at any time and may be terminated by the bank without notice.
- v. Credit Union Financial Support System Limited - with effect from 1 July 1999, Police & Nurses Credit Society Limited is a party to the Credit Union Financial Support System (CUFSS). CUFSS is a voluntary scheme that all Credit Unions who are affiliated with Credit Unions Services Corporation (Australia) Limited (CUSCAL) have agreed to participate in. CUFSS is a company limited by guarantee, each Credit Union's guarantee being \$100. As a member of CUFSS, the Credit Union:
 - May be required to advance funds of up to 3% (excluding permanent loans) of total assets to another Credit Union requiring financial support;
 - May be required to advance permanent loans of up to 0.2% of total assets per financial year to another Credit Union requiring financial support;
 - Agrees, in conjunction with other members, to fund the operating costs of CUFSS.

20. REMUNERATION OF DIRECTORS

Directors' remuneration

The number of directors of Police & Nurses Credit Society Ltd whose income (including superannuation contributions) falls within the following bands is:

	\$'000
0 - 10	
10 - 20	
20 - 30	

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004	2003	2004	2003
\$	\$	\$	\$
233,011	196,653	233,011	196,653
<hr/>			
2004	2003	2004	2003
No.	No.	No.	No.
1	-	1	-
1	-	1	-
8	9	8	9

Notes to the Financial Statements

30 JUNE 2004

21. AUDITOR'S REMUNERATION

- (a) Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:

Auditor of the parent entity - PricewaterhouseCoopers:

- statutory financial reports audit services
- other assurance services

- (b) Remuneration for other services - auditor of the parent entity - PricewaterhouseCoopers:

- income tax advice
- securitisation transactions advice
- GST advice
- fringe benefits tax advice
- TFN withholding tax advice
- other tax advice
- due diligence advice
- audit of managed entity
- advice in relation to IFRS
- other

Total auditor's remuneration

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$	2003 \$	2004 \$	2003 \$
115,907	81,915	82,632	74,715
20,240	16,390	20,240	16,390
136,147	98,305	102,872	91,105
6,144	25,281	6,144	25,281
43,099	10,656	43,099	10,656
-	7,154	-	7,154
6,006	5,943	6,006	4,521
23,819	47,891	16,959	47,891
32,406	13,951	32,406	13,951
-	22,106	-	22,106
15,224	15,280	-	-
21,170	-	21,170	-
5,842	5,314	5,347	5,285
153,710	153,576	131,131	136,845
289,857	251,881	234,003	227,950

Notes to the Financial Statements

30 JUNE 2004

22. INTERESTS IN ASSOCIATES

Name of Associate	Principal Activity	Ownership Interest	
		2004	2003
		%	%
IGP Financial Services Pty Ltd	Financial planning	35.00	35.00
Karrinyup Land Finance Property Unit Trust	development	-	16.67

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
Carrying Amount		Carrying Amount	
2004	2003	2004	2003
\$'000	\$'000	\$'000	\$'000
930	989	1,000	1,000
-	2,394	-	-
930	3,383	1,000	1,000

The Society received full return on its investment in Karrinyup Land Finance Unit Trust during the year. The Unit Trust was accounted for as an interest in an associate as the consolidated entity had significant influence by virtue of participation in the management committee and voting powers held under the trust deed.

Movements in carrying amounts of investment in associates

Carrying amount at the beginning of the financial year	
Investments in associates during the financial year	
Share of associates' profits	
Return of funds invested	
Dividends received/receivable	
Carrying amount at the end of the financial year	

Notional goodwill arising upon consolidation of the investment in IGP Financial Services Pty Ltd is being amortised over 20 years.

Results attributable to associates

Profits from ordinary activities before related income tax	
Income tax expense	
Profits from ordinary activities after related income tax	
Less: dividends received	
Share of associates' profits	

Retained profits attributable to associates

At the beginning of the financial year	
At the end of the financial year	

Summary of the performance and financial position of associates

Profits from ordinary activities after related income tax	
Assets	
Liabilities	

CONSOLIDATED	
2004	2003
\$'000	\$'000
3,383	-
-	3,000
392	383
(2,000)	-
(845)	-
930	3,383
407	397
(15)	(14)
392	383
845	-
(453)	383
383	-
(70)	383
3,169	2,652
685	15,031
200	712

Notes to the Financial Statements

30 JUNE 2004

23. INTERESTS IN JOINT VENTURES

Joint venture operations

A controlled entity has entered into the following joint venture operations:

Wanneroo North Joint Venture

The controlled entity has a 14.29% participating interest in this joint venture to develop a subdivision of land for residential housing and is entitled to 14.29% of its output.

Two Rocks Joint Venture

The controlled entity has a 75% participating interest in this joint venture, which is subject to joint control, to develop a subdivision of land for residential housing and is entitled to 75% of its output.

Eagle Bay Joint Venture

The controlled entity has a 33.33% participating interest in this joint venture to develop a subdivision of land for residential housing and is entitled to 33.33% of its output.

The consolidated entity's interests in the assets employed in the joint ventures are included in the consolidated statement of financial position, in accordance with the accounting policy described in Note 1 (o), under the following classifications:

Other receivables
Inventories (land held for sale)
Share of assets employed in joint ventures

24. OUTSIDE EQUITY INTEREST IN CONTROLLED ENTITIES

Interest in:
Partnership capital
Partnership profit/(loss)

25. ECONOMIC DEPENDENCY

Normal trading activities are economically dependent on:

Credit Union Services Corporation (Australia) Limited ("CUSCAL")

This related party enables the Society to supply the following financial services:

- Automatic teller machines (ATMs)
- Visa Cards
- Redicards
- Member Chequing

CONSOLIDATED	
2004 \$'000	2003 \$'000
1,340	700
9,992	7,402
11,332	8,102
2004 \$'000	2003 \$'000
512	434
(81)	(2)
431	432

Notes to the Financial Statements

30 JUNE 2004

26. RELATED PARTY DISCLOSURES

The directors of Police & Nurses Credit Society Ltd at any time during the financial year were:

E J Billing
 F J Compton
 M J Dean
 P M Gabb
 M T Hinton
 C A Hynes
 E A Manley
 S J Melville
 A M Rial
 E L Smith

As members of the Society, the directors and director-related entities have available to them all of the services under normal member terms and conditions. Total loans outstanding to directors and their spouses as at 30 June 2004 amounted to \$771,343 (2003: \$845,367). During the year loan advances amounted to \$604,144 (2003: \$652,443) and repayments amounted to \$729,983 (2003: \$744,257). Interest on loans to directors amounted to \$51,815 (2003: \$44,491). All directors except M J Dean, C A Hynes, S J Melville and E L Smith had loans with the Society during the year.

The terms and conditions in respect of all loans to directors and their spouses have not been breached. All directors have also placed deposits with the Society during the year under normal member terms and conditions.

Each director holds one member share in the Society.

The Society charges its controlled entities for occupancy and other costs.

The Society acts as banker for some of the subsidiaries in the wholly owned group, with cash transactions being undertaken on behalf of the subsidiaries and adjusted for through amounts payable/receivable to/from the Society. All inter-company balances are non interest bearing. Some subsidiaries maintain separate deposit accounts with the Society under normal commercial terms.

The Society transacted with its wholly-owned Australian controlled entities under the proposed accounting tax sharing agreement described in Note 3.

The Society received fees for various services provided to the Pinnacle Commercial Warehouse Trust No.1 ("the Trust") on an arm's length basis, including servicing fees, management fees and trustee fees. The Group also provided arm's length interest rate swaps and liquidity facilities to the Trust in accordance with APRA Prudential Guidelines. In addition, the Society received residual income, comprising mortgage loan interest (net of swap payments) not due to the investors less trust expenses.

Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group:

Interest revenue
 Dividend revenue

Aggregate amounts receivable from entities in the wholly-owned group at balance date

POLICE & NURSES CREDIT SOCIETY LTD	
2004 \$'000	2003 \$'000
1,094	645
2,200	2,400
12,115	11,252

Notes to the Financial Statements

30 JUNE 2004

27. EMPLOYEE NUMBERS

Number of employees at reporting date

Full time equivalents at reporting date

CONSOLIDATED		POLICE & NURSES CREDIT SOCIETY LTD	
2004 No.	2003 No.	2004 No.	2003 No.
301	304	295	295
275	273	270	269

28. SEGMENT INFORMATION

(a) Primary reporting – business segments

The consolidated entity operates predominantly in the finance industry within Australia. The operations comprise the acceptance of deposits and the provision of loans. Specific segmentation of loans and deposits are set out in Notes 7 and 12. The consolidated entity is also involved in property development activities, currently through the Jacaranda Gardens Partnership in the development of a retirement village, as well as development of other residential land around Perth, Western Australia.

2004

	Service to Members	Property Development	Other	Inter-segment Eliminations\ Unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Net interest revenue from external customers	29,573	-	-	-	29,573
Intersegment interest revenue	1,094	-	-	(1,094)	-
Net interest revenue	30,667	-	-	(1,094)	29,573
Sales to external customers	-	3,635	-	-	3,635
Shares of net profits of associates and joint ventures partnerships	(35)	427	-	-	392
Other revenue	22,702	24	1,900	(2,225)	22,401
Total segment revenue	53,334	4,086	1,900	(3,319)	56,001
Segment result	12,058	(510)	1,347	(2,219)	10,676
Profit from ordinary activities before income tax expense					10,676
Income tax expense					2,956
Profit from ordinary activities after income tax expense					7,720
Segment assets	968,097	19,652	838	(13,196)	975,391
Segment liabilities	873,944	19,458	401	(13,203)	880,600
Investments in associates and joint venture partnership	930	-	-	-	930
Acquisitions of property, plant and equipment	3,153	4,209	-	-	7,362
Depreciation and amortisation expense	2,316	-	37	-	2,353
Other non-cash expenses	2,240	11	4	-	2,255

Notes to the Financial Statements

30 JUNE 2004

28. SEGMENT INFORMATION (cont'd)

2003	Service to Members	Property Development	Other	Inter-segment Eliminations\ Unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Net interest revenue from external customers	27,907	-	-	-	27,907
Intersegment interest revenue	645	-	-	(645)	-
Net interest revenue	28,552	-	-	(645)	27,907
Sales to external customers	-	5,188	-	-	5,188
Shares of net profits of associates and joint venture partnership	(10)	393	-	-	383
Other revenue	25,099	1	1,566	(2,400)	24,266
Total segment revenue	53,641	5,582	1,566	(3,045)	57,744
Segment result	15,575	617	943	(2,690)	14,445
Profit from ordinary activities before income tax expense					14,445
Income tax expense					4,438
Profit from ordinary activities after income tax expense					10,007
Segment assets	832,763	12,376	2,903	(11,518)	836,524
Segment liabilities	747,595	11,648	1,935	(11,645)	749,533
Investments in associates and joint venture partnership	989	2,394	-	-	3,383
Acquisitions of property, plant and equipment	3,420	-	2,424	-	5,844
Depreciation and amortisation expense	2,362	-	27	-	2,389
Other non-cash expenses	3,509	15	8	-	3,532

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's-length" basis and are eliminated on consolidation.

(b) Secondary reporting – geographical segments

The consolidated entity operates in Australia.

Notes to the Financial Statements

30 JUNE 2004

29. FINANCIAL INSTRUMENTS

(a) Terms, conditions and accounting policies

The consolidated entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
(i) Financial assets			
Loans and Advances	7	The loan interest is calculated on the daily balance outstanding and is charged in arrears to a member's account on the last day of each month. Loans and advances are recorded at their recoverable amount.	All housing loans are secured by registered mortgages. The remaining loans are assessed on an individual basis.
Short-term deposits	5	Short-term deposits are stated at the lower of cost and net realisable value. Interest is recognised when earned.	Short-term deposits have a maturity of less than 180 days and effective interest rates of 5.47% to 5.65%.
Other receivables	6	Other receivables are carried at the lower of cost or recoverable amount.	Receivables are short term in nature and dependent on the terms & conditions of the related contract, where one exists.
Investments in unlisted shares (CUSCAL)	9	Unlisted shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when the dividends are declared by the investee.	
(ii) Financial liabilities			
Bank overdrafts	14	The bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the bank's benchmark rate. Details of the security over the bank overdrafts are set out in Note 19.
Due to other financial institutions	14	The borrowings are carried at the principal amount. Interest is charged as an expense as it accrues.	Amounts due to other financial institutions are interest bearing with interest charged at the financial institution's floating rate.
Trade creditors and accruals	13	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity.	Trade liabilities are normally settled on 30 day terms.
Members' deposits	12	Deposits are recorded at the principal amount.	Details of maturity terms are set out in Note 12. Interest is calculated on the daily balance outstanding.
Notes Payable	14	Notes payable are recorded at the principal amount.	Repayments are made to note holders (Note 9(c)) in priority to the deferred securitisation recipient (Note 11).
(iii) Unrecognised Financial Instruments			
Interest Rate Swaps		The Society enters into interest rate swap agreements that are used to convert its fixed rate loans and advances to variable interest rates. It is the Society's policy not to recognise assets or liabilities in relation to interest rate swaps in the financial statements. Net receipts and payments are recognised as an adjustment to interest expense.	At balance date, the Society has interest rate swap agreements with a notional amount of \$54.9 million, on which it pays 4.57% to 7.26% interest and receives Bank Bill Swap rate calculated on the notional amount. The swaps are used to protect the Society from exposure to increasing interest rates. The swaps in place cover a proportion of the fixed rate loans and advances at balance date. The swaps expire between July 2004 and April 2009.

Notes to the Financial Statements

30 JUNE 2004

29. FINANCIAL INSTRUMENTS (cont'd)

(b) Interest rate risk

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

Financial Instruments	Floating Interest Rate		Fixed Interest Rate Maturing or Repriced-in:					
			1 year or less		Over 1 year to 5 years		Over 5 years	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
(i) Financial assets								
Cash and liquid assets	3,136	3,057	-	-	-	-	-	-
Due from other financial institutions	-	-	72,000	57,500	12,000	19,000	-	-
Unlisted shares - investment in CUSCAL	-	-	-	-	-	-	-	-
Loans and advances*	624,116	563,711	177,220	134,013	51,074	28,203	-	3,137
Other receivables	-	-	-	-	-	-	-	-
Interest rate swaps	54,930	81,695	(18,635)	(59,725)	(36,295)	(21,970)	-	-
Total financial assets	682,182	648,463	230,585	131,788	26,779	25,233	-	3,137
(ii) Financial liabilities								
Bank overdrafts	-	666	-	-	-	-	-	-
Members' deposits	283,617	251,186	501,156	452,681	5,772	7,423	74	78
Due to other financial institutions	1,728	1,057	6,000	12,357	-	-	-	-
Notes payable	44,652	-	-	-	-	-	-	-
Trade creditors and accruals	-	-	-	-	-	-	-	-
Total financial liabilities	329,997	252,909	507,156	465,038	5,772	7,423	74	78

N/A not applicable for non interest bearing financial instruments.

* provisions for impairment of \$6.968 million (2003: \$6.155 million) have been made against total loans and advances

** not applicable as interest rate swaps are not recognised in the financial statements

*** the disclosure of effective interest rates is not applicable to derivative financial instruments.

Notes to the Financial Statements

Non-interest Bearing		Total Carrying Amount as per the Statement of Financial Position		Weighted Average Effective Interest Rate	
2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 %	2003 %
5,974	3,031	9,110	6,088	N/A	N/A
-	-	84,000	76,500	5.52	4.78
4,813	4,813	4,813	4,813	N/A	N/A
-	-	852,410	729,064	7.14	7.02
4,099	2,445	4,099	2,445	N/A	N/A
-	-	**	**	***	***
14,886	10,289	954,432	818,910	-	-
-	-	-	666	N/A	N/A
674	655	791,293	712,023	3.90	3.46
-	-	7,728	13,414	5.68	5.14
-	-	44,652	-	6.54	-
34,489	18,626	34,489	18,626	N/A	N/A
35,163	19,281	878,162	744,729	-	-

Notes to the Financial Statements

30 JUNE 2004

29. FINANCIAL INSTRUMENTS (cont'd)

(c) Net fair values

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

	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Financial assets				
Cash and liquid assets	9,110	6,088	9,110	6,088
Due from other financial institutions	84,000	76,500	84,000	76,500
Unlisted shares	4,813	4,813	4,813	4,813
Loans and advances	845,442	722,909	845,006	728,558
Other receivables	4,099	2,445	4,099	2,445
Total financial assets	947,464	812,755	947,028	818,404
Financial liabilities				
Bank overdrafts	-	666	-	666
Members' deposits	791,293	712,023	791,277	711,957
Due to other financial institutions	7,728	13,414	7,728	13,414
Notes payable	44,652	-	44,652	-
Trade creditors and accruals	34,489	18,626	34,489	18,626
Interest rate swaps	*	*	(191)	(566)
Total financial liabilities	878,162	744,729	877,955	744,097

* not applicable as financial instruments are not recognised in the financial statements.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Recognised financial instruments

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

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

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

Loan and advances and deposits: The fair values of loans receivable excluding impaired loans, are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending arrangements. The net fair value of impaired loans was calculated by discounting expected cash flows using a rate which includes a premium for the uncertainty of the flows

Long-term deposits: The fair values of long-term deposits are estimated using discounted cash flow analysis, based on current incremental deposit rates for similar types of deposit arrangements.

Notes payable: The carrying amount approximates fair value.

Unrecognised financial instruments

Interest rate swap agreements: The fair values of interest rate swap contracts are determined as the difference in present value of the future interest cash flows.

Notes to the Financial Statements

30 JUNE 2004

29. FINANCIAL INSTRUMENTS (cont'd)

(d) Credit risk exposures

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

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The consolidated entity's maximum credit risk exposure in relation to interest rate swap contracts is limited to the net fair value of the swap agreement at balance date, being \$191,476 (2003: \$566,213).

Concentrations of credit risk

The Society minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of customers within the specified category.

Concentrations of credit risk on loans receivable arise in the following categories:

Industry	Maximum credit risk exposure* for each concentration Consolidated			
	Percentage of total loans receivable (%)		\$'000	
	2004	2003	2004	2003
WA State government employees	34.9%	31.3%	297,437	228,067
Other non-concentrated	65.1%	68.7%	554,973	500,997
	100.0%	100.0%	852,410	729,064

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

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

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

(e) Hedging instruments

As disclosed above, Police & Nurses Credit Society Ltd has entered into interest rate swaps during the financial year for the specific hedging of fixed interest rate loans of up to 5 years. These derivative contracts swap fixed rate receivables of up to 5 years into 90 or 180 day BBSW floating rate receivables.

30. EVENTS OCCURRING AFTER REPORTING DATE

On 26 July 2004, the Directors passed resolutions to purchase and implement the Phoenix core banking system from Data Action for a total project cost of \$4.500 million and commit to a seven year contract for maintenance and support and to host the system at Data Action for a contract term of five years. The financial effect of these events have not been brought to account at 30 June 2004.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 11 to 42:

- (a) comply with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Society and Group's financial position as at 30 June 2004 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 opinion of the directors:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due; as far as they concern the members of the Society.

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

E L SMITH

Director

E J BILLING

Director

23 September 2004

PERTH WA

Independent Audit Report

Independent Audit Report

To the Members of Police & Nurses Credit Society Limited

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report of Police & Nurses Credit Society Limited (the company) for the financial year ended 30 June 2004 included on Police & Nurses Credit Society Limited's web site. The company's directors are responsible for the integrity of the Police & Nurses Credit Society Limited web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report identified below. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit opinion

In our opinion, the financial report of Police & Nurses Credit Society Limited:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Police & Nurses Credit Society Limited and the Police & Nurses Credit Society Group (defined below) as at 30 June 2004 and of their performance for the year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Police & Nurses Credit Society Limited and the Police & Nurses Credit Society Limited Group (the consolidated entity), for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error; and for the accounting policies and accounting estimates inherent in the financial report.

Liability is limited by the Accountant's Scheme under the *Professional Standards Act 1994* (NSW)

Audit approach

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

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

Independent Audit Report

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

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

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

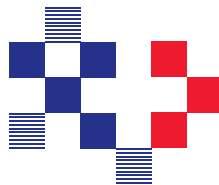
Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

PricewaterhouseCoopers
John O'Connor, Partner

Perth
23 September 2004



POLICE & NURSES
CREDIT SOCIETY

13 25 77

www.pncs.com.au

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246 Adelaide Terrace
Perth WA 6000
PO Box 6132 East Perth WA 6892

Police & Nurses Financial Centres

BOORAGOON

Suite 10, Riseley Corporate Centre
135 Riseley Street

BUNBURY

Shop 21A, Bunbury Forum Shopping
Centre
Sandridge Road

CANNINGTON

Shop 1003, Westfield Carousel
Shopping Centre
1382 Albany Highway

MORLEY

2A Progress Street

ROCKINGHAM

Shop 48, Rockingham City
Shopping Centre
Read Street

WHITFORDS

Shop 158, Whitford City
Shopping Centre
Cnr Whitfords & Marmion Ave

Police & Nurses Finance Shops

BELMONT

Shop 120, Belmont Forum Shopping
Centre
227 Belmont Avenue

FREMANTLE

Shop 18, 35 William Street

JOONDALUP

Shop T62, Lakeside Joondalup
Shopping Centre
Joondalup Drive

MADDINGTON

Shop 61, Centro Maddington
Attfield Street

MANDURAH

Shop 54A, Centro Mandurah
Mandurah Bypass Road

MIDLAND

Shop 25, Midland Centrepoint
Shopping Centre
Great Eastern Highway

MIRRABOOKA

Shop 91A, Mirrabooka Square
Shopping Centre
43 Yirrigan Drive

WARWICK

Shop 80A, Centro Warwick
Cnr Beach & Erindale Road