WA INSTITUTIONS
RECONCILIATION
TRUST

ANNUAL
REPORT

1996 ~ 1997
WA Institutions Reconciliation Trust
Level 6, 55 St George’s Terrace
Perth, Western Australia 6000

Tel/Fax: (08) 9325 1991
WA Institutions Reconciliation Trust

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 1997

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CHAIRMAN'S REPORT

The purpose and working detail of the Trust is well explained by the Manager in her report. What is not detailed is the tremendous amount of time and effort that has gone into ensuring that as far as possible the terms of the Trust Deed have been executed equitably and efficiently.

The Trustees would want placed on record our sincere thanks to the Manager Andrea Lace and her assistant Arpad Ollari-Hazy. They have worked under sometimes very difficult circumstances to deliver what we believe has been a professional and caring outcome to their work.

There is no doubt that the complexity of issues surrounding the Trust and its beneficiaries has sometimes caused many people to question its conduct. However, at all times it has been the Trustees' wish to move forward in administering the fund as quickly as possible whilst taking into account the personal concerns and circumstances of each individual involved.

It's fair to say that this has not been as easy as we first envisaged. However, the progress made to June 30th 1997 and subsequently leaves me with no doubt that we have done as well as anyone could have expected in the circumstances. My thanks to my fellow Trustees for their support and work given to achieve this result.

Nothing the Trustees will do in administering this Trust will change the past. We sincerely hope however, that it has improved the future for many.

Barry MacKinnon, Chairman
MANAGER'S REPORT

~ BACKGROUND ~

THE TRUST

The Trust was established after acceptance of an offer of reconciliation by the Christian Brothers made to certain ex-residents of institutions conducted by the Christian Brothers at Bindoon, Clontarf, Castledare and Tardun in the state of Western Australia which residents had commenced or foreshadowed commencing legal proceedings alleging sexual and/or physical and/or psychological abuse and/or forced inappropriate physical labour and educational malpractice.

The Trust Deed

The Trust was established by a deed of Trust executed in August 1996.

The Term

The term of the Trust is a maximum of 3 years from 30 June 1996.

The Parties

The parties to the Trust Deed are the Christian Brothers as Founder and Barry MacKinnon (as Chairman), Hayden Stephens (as appointee of Slater & Gordon/VOICES) and Peter McGowan (as appointee of Carroll & O'Dea). In the abovementioned legal proceedings, Slater & Gordon represented the ex-residents of the Christian Brothers' institutions and Carroll & O'Dea represented the Christian Brothers. The Chairman, as prescribed by the Trust Deed, was chosen because of his prominence and neutrality.

Two additional neutral Trustees, Dalton Gooding and Carol Bahemia, were appointed from 14 October 1996.
The Beneficiaries

The beneficiaries of the Trust are the ex-residents of the Christian Brothers' institutions who were plaintiffs in or foreshadowed becoming plaintiffs in the legal proceedings and who, in relation to File No. 17585 of 1993 to 17820 of 1993 inclusive in the Supreme Court of New South Wales, Sydney Registry, Common Law Division, and any other legal proceedings brought by Slater & Gordon against the Christian Brothers, and others, in Sydney, Melbourne and any other Australian court registry, undertake:

(i) to file a discontinuance in respect of all claims;
(ii) not to commence further proceedings or seek leave to commence further proceedings against the Christian Brothers nor any other persons or entities sued previously in the said actions, by signing a Deed of Release.

The persons eligible to become beneficiaries are named in annexures to the Trust Deed and are divided into three categories.

Category 1 are those persons who by the date of execution of the Trust Deed had agreed to resolve their claim against the Christian Brothers and had delivered or agreed to deliver a signed Deed of Release.

Category 2 are those persons who by the date of execution of the Trust Deed had not agreed to resolve their claim against the Christian Brothers but who might subsequently agree to do so.

Category 3 are ex-students of institutions conducted by the Christian Brothers other than Bindoon, Clontarf, Castledare or Tardun who allege sexual and/or psychological and/or physical abuse and who may agree to resolve their claims against the Christian Brothers. Two Category 3 persons are identified in the Trust Deed and another 8 persons may be identified as beneficiaries under this category if agreed to by Carroll & O'Dea and Slater & Gordon by 1 November 1996.

The Trust Fund

The settled sum, or the trust fund, is the amount of $3,500,000.00.
The Manager

The Trust Deed provides for the appointment of a paid Chief Executive Officer and support staff. From 4 November 1996, Andrea Lace was engaged as Chief Executive Officer. At her request the position is known as Manager. Ms Lace was engaged to work 3 days per week.

From 22 November 1996, the Trustees approved the engagement of Mr Arpad Ollari-Hazy to provide support services for the Manager.

The Benefits

The Trust is recognised by the Australian Taxation Office as a charitable trust, not subject to income tax. The charitable purpose of the Trust is the promotion of welfare for those beneficiaries in need, the relief of their poverty and/or illness and/or injury and/or hardship by providing effective practical needs based, and in certain limited cases, direct financial help.

Non-Cash Benefits

In relation to needs based help, the specified categories of assistance are:

(i) therapy;
(ii) treatment;
(iii) rehabilitation;
(iv) re-training;
(v) adult literacy classes;
(vi) family reunification;
(vii) housing/accommodation;
(viii) emergency relief;
(ix) low and or no interest loans;
(x) finding employment;
(xi) assistance for spouses and children who need treatment;
(xii) transportation;
(xiii) treatment for alcoholism, drug dependency and substance abuse;
(xiv) $2,000.00 as reimbursement for miscellaneous expenses incurred by each beneficiary in relation to medical, psychological, travelling and/or schooling expenses provided that if an additional reimbursement is approved for payment, the general reimbursement of $2,000.00 shall be deducted from the amount paid.

**Direct Financial Help**

In relation to direct financial help, the Trust Deed provides for payments of lump sums to those beneficiaries deemed to have been the most seriously sexually abused and who have suffered a significant psychological impairment of such severity as to warrant therapy or treatment on an on-going basis.

The Trust Deed provides for payment of $25,000.00 to 30 persons and $10,000.00 to 25 persons. The recipients of the payments of $25,000.00 and $10,000.00 are to be recommended by Slater & Gordon and their counsel, Mr Jack Rush QC, who shall certify that the recommended beneficiaries meet the required criteria.

In addition, the Trustees shall make available from the trust fund a further $160,000.00 for the making of cash payments to beneficiaries who were seriously sexually abused and seriously affected and, at their discretion, a further one-third of the income of the Trust.
THE OPERATION OF THE TRUST

THE TRUST’S BANKERS

The Trust’s bank account, held with Challenge Bank, 218 St. George’s Terrace, Perth, Western Australia, was opened on 18 September 1996. The initial deposit to the account was $1 million on 27 September 1996. A further $1 million was deposited on 12 November 1996 and $1.5 million was deposited on 10 February 1997. Under the terms of the Trust Deed, all Trustees are to be signatories of the Trust’s bank account. By resolution of the Trustees made 16 December 1996 it was agreed that the Manager also be a signatory. All cheques are to be signed by at least two Trustees or the Manager and one Trustee.

ESTABLISHMENT OF THE TRUST’S PREMISES

With the assistance of Carol Bahemia, then Director of the Legal Aid Commission, the Legal Aid Commission of WA made a small office within its Perth premises available for use by the Trust from 4 November 1996. After her appointment, the Manager took steps to furnish and equip the office. The purchase price of essential plant and equipment was $6,116.00.

THE MAKING OF CLAIMS TO THE TRUST/ THE MAKING OF PAYMENTS BY THE TRUST

Time Limit

The Trust Deed provides that all beneficiaries wishing to make a claim against the trust fund shall submit a claim, in writing, prior to 1 November 1996 provided the Trustees shall have the right to accept any claims made after 1 November 1996 on a discretionary basis, but that no claim can be considered by the Trustees made after 30 April 1997.

As the appointment of the Manager was not made until after 1 November 1996, the Trustees exercised their discretion to extend the time within which written notification of the making of a claim could be received from a beneficiary.
$2,000.00 Reimbursements

In October 1996, reimbursements of $2,000.00 were paid by the Trust to all beneficiaries who to that date had signed a Deed of Release and made written notification to claim. Correspondence with beneficiaries prior to 4 November 1996 issued from the offices of Phillips Fox of which Peter McGowan was then Managing Partner. Until the appointment of the Manager, Mr McGowan's secretary provided her services to the Trust.

Applications

On 22 November 1996, an application form and explanatory letter were posted to 191 claimants. The date nominated in the explanatory letter for the return of the completed application forms was 14 December 1996. A further 16 application forms were issued on 6 December 1996. The date for the return of the completed application forms was extended to 14 January 1997. As more beneficiaries signed a Deed of Release, more application forms were issued with the return date having to be extended a number of times.

Extension of Time Limit

By 23 April 1997, 17 potential beneficiaries had not signed a Deed of Release but had not indicated a rejection of the settlement. 5 men had signed a Deed of Release but had not made a claim in writing to the Trust, required to be made prior to 1 May 1997.

On 22 April 1997, Slater & Gordon in the capacity of legal representative of the potential beneficiaries, made written notification to claim on behalf of these men, subject to the proper execution of a Deed of Release, where applicable.

On 28 April 1997, the Trustees resolved to accept the notification to claim made by Slater & Gordon as compliance by the men named by Slater & Gordon with the requirement to notify the Trust, in writing, of intention to claim benefits pursuant to the Trust prior to 1 May 1997.

On 23 April 1997, letters had been sent by the Manager to each of the men on whose behalf Slater & Gordon gave written notification to claim. Six of the men subsequently submitted claims to the Trust.
Category 3 Claimants

It was agreed by Slater & Gordon and Carroll & O’Dea to extend the time to agree to the identities of the additional beneficiaries under this category.

The identities of the additional beneficiaries had not been agreed by 30 June 1997.

Deceased Claimants

With respect to deceased claimants, it was resolved by the Trustees:

(i) Needs based non-cash benefits are not applicable;

(ii) Direct financial assistance in the form of a serious sexual abuse payment is not applicable;

(iii) Claims for reimbursement of past travel, medical and other expenses will be considered upon provision of relevant details from the executor/administrator of the deceased’s will/estate.

Serious Sexual Abuse Claims

When the Christian Brothers’ offer of reconciliation was explained to the plaintiffs, they were advised by Slater & Gordon that all beneficiaries could apply for a cash payment under the category of serious sexual abuse.

At their meeting on 16 December 1996, the Trustees approved the payment of $25,000.00 to 11 men recommended by Slater & Gordon and Mr Rush QC. Hayden Stephens, in the role of representative of Slater & Gordon, advised that Slater & Gordon had sufficient documentation of the abuse these men had suffered and the severity of the psychological and psychiatric problems subsequently suffered by them, to make the recommendation. He further advised that he could probably recommend a further 5 to 10 men for whom similar material was already available but was reluctant to do so without first knowing which and how many claimants sought a payment under this category. To recommend all 30 recipients of a $25,000.00 payment at this early stage would exhaust the funds under this category, thereby denying opportunity to others who might wish to apply for payment.
To 6 March 1997, a further two payments of $25,000.00 were recommended and approved by the Trustees. However, by 6 March 1997, 117 men had claimed a payment under the category of serious sexual abuse. The Trust Deed requires Mr Rush QC to say that the men recommended for payments of $25,000.00 and $10,000.00 were the most seriously sexually abused and the next most seriously sexually abused. The fundamental problem facing the Trustees was that Mr Rush QC could not draw this conclusion unless aware of the sexual abuse and its effect on all persons making a claim.

As a result, it was resolved by the Trustees at their meeting on 6 March 1997, that no claim for a serious sexual abuse payment would be considered unless supported by a psychological/psychiatric assessment and no further payments would be made under this category until all claimants had had an opportunity to provide a supporting report.

In March 1997, an Information Update issued to claimants advising, interalia, that no application for a serious sexual abuse payment could be considered unless a psychological/psychiatric report were made available to the Trustees and that if a report were not readily available, the Trust would pay for attendance by a claimant with a psychologist or psychiatrist and for the preparation of a report.

On 22 May 1997 it was further resolved by the Trustees that claimants be advised that the cut-off date for receipt by the Trust of a psychological or psychiatric report be 30 September 1997. As at 22 May 1997, 73 of the 117 claimants for a serious sexual abuse payment had not provided a supporting psychological/psychiatric assessment.

REIMBURSEMENTS/NON-CASH BENEFITS

The Trust Deed does not provide guidelines for payment of reimbursements and the making of payments under the various non-cash categories of benefit.

To enable reimbursements and non-cash benefits to be paid in a practical and fair manner, the Trustees resolved that the following guidelines apply.

Reimbursement of Past Reunification Travel Expenses

1. Some evidence that the trip for which reimbursement is claimed, actually occurred.
2. The definition of "reunification" is a reunion with living family members.
3. The definition of "family" relates to immediate family members but the Trustees will consider applications to visit extended family members.
4. In the absence of proof of the cost of airfares, the maximum reimbursement for airfares is $2,500.00 to the United Kingdom and $2,800.00 to Malta.

5. Reimbursement of travel expenses is restricted to 1 trip, but the claimant may choose which trip; even if the most expensive.

6. The expenses of an accompanying spouse will be reimbursed if a reason for the spouse accompanying the claimant is provided.

7. The expenses of any other person accompanying the claimant will be considered subject to advice of the reason the accompanying person made the trip and proof that the claimant paid the expenses of the accompanying person.

8. The Trust will not reimburse expenses for children accompanying the claimant.

9. The maximum reimbursement, in addition to airfares, that will be paid is:

   - Claimant $1,350.00 per week for a maximum of 4 weeks
   - Claimant and Spouse or 1 accompanying person $1,900.00 per week for a maximum of 4 weeks

10. If a claim is for less than the maximum reimbursement for airfares and other expenses, the amount claimed is to be the reimbursement, but if the claim is for more than the maximum, only with proof and explanation of the higher amount will the Trustees consider increasing the reimbursement beyond the maximum. In no circumstances will loss of earnings, the cost of passports or luggage be paid.

In addition, payment of a reimbursement is subject to the claimant declaring a Statutory Declaration as to the amount of financial assistance, if any, received from the Christian Brothers, ISERV or CBERS towards the cost of reunification travel. In the event financial assistance has been provided, an equivalent sum shall be deducted from the total to be reimbursed.

**Future Travel (Family Reunification)**

1. The proposed travel must be for the purpose of a family reunion for the first time, the cost of which cannot be met by the claimant.

2. The maximum amounts that will be contributed by the Trust are $10,000.00 for a claimant travelling with a spouse or other companion unable to pay his/her own costs and $7,000.00 for a claimant travelling alone.
**Low and/or No Interest Loans**

1. No loan be granted unless in the opinion of the Trustees there is a reasonable expectation of the loan being repaid within the life-span of the Trust.
2. A request for a loan of more than $5,000.00 - $7,000.00 be examined very carefully by the Trustees.
3. Interest not be charged on any loan.

**Housing/Accommodation**

Assistance under the category of housing/accommodation is restricted to bond/letting fee, arrears of rent to avoid eviction and arrears of mortgage instalments to avoid a mortgagee sale.

**Transportation**

The interpretation of “transportation” is limited to car/truck repair costs and assistance with car/truck loan repayments to avoid repossession but does not extend to funding the purchase of a motor vehicle.

**Finding Employment**

A claimant seeking assistance with employment be referred to a private employment agency and the Trust pay any registration fee and associated costs.

The Information Update issued to claimants in March 1997 provided an outline of these resolutions together with the Trustees’ requirements for the payment of other reimbursements and non-cash benefits.

**DEMAND FOR ASSISTANCE FROM THE TRUST**

190 completed application forms were received to 30 June 1997. In the main, additional information was required from claimants to support their requests for benefits from the Trust.

Approximately 30 claimants required assistance in completing the application form and personally met with the Manager for this purpose.
Generally, the demand upon the time of the Manager and her assistant, both in relation to the processing of claims and attending to enquiries from claimants was much greater than had been anticipated by the Trustees. Approximately 1,000 telephone calls were received or made by the Manager or her assistant, approximately 1,500 items of mail were issued, and approximately 500 cheques were drawn.

In an endeavour to assist the Manager, the Chairman asked claimants in the March 1997 Information Update to direct enquiries to him. As a result, the demand upon the time of the Chairman became much greater than anticipated.

To 30 June 1997, the Trustees considered 170 individual requests for assistance. There was significant demand for non-cash benefits not relating to reimbursements or rehabilitation/therapy. $62,820.73 was paid under the categories of emergency relief, housing/accommodation, transportation and employment. Under all categories of benefit a total of $1,063,930.00 was paid to or on behalf of beneficiaries of the Trust.

Andrea Lace, Manager
~ MEMBERS OF THE BOARD OF TRUSTEES ~

BARRY MacKINNON
- Political Consultant
- Member, Boards of state and national sporting organisations and government agencies providing services to members of the public with special needs
- Former Leader of the Opposition of the Government of Western Australia
- Former Practising Accountant

PETER McGOWAN
- Barrister
- Former Managing Partner of Phillips Fox, Lawyers, Perth Office

HAYDEN STEPHENS
- Associate, Slater & Gordon, Lawyers, Melbourne Office

CAROL BAHEMIA
- Consultant, Lawyer
- Former Director of the Legal Aid Commission of Western Australia
- Former Senior Legal Officer, Australian Government Solicitor

DALTON GOODING
- Partner, national firm of Accountants, Perth Office
### Schedule of Key Dates

<table>
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<tr>
<th>Date</th>
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<tr>
<td>July-1996</td>
<td>Heads of Agreement Executed</td>
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<td>August-1996</td>
<td>Trust Deed Executed</td>
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<td>August-1996</td>
<td>Chairman and Representative Trustees Appointed</td>
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<td>September-1996</td>
<td>Trust Bank Account opened</td>
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<td>October-1996</td>
<td>Additional Trustees appointed</td>
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<td>$2,000.00 Cheques posted</td>
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<td>November-1996</td>
<td>Manager and Support Staff appointed</td>
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<td>November-1996</td>
<td>Application Form &amp; Explanatory Letter issued</td>
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<td>December-1996</td>
<td>Initial Sexual Abuse Payments made</td>
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<td>February-1997</td>
<td>Letter to Claimants from Chairman</td>
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<td>March-1997</td>
<td>Regulations for payment of Non-Cash Benefits Resolved</td>
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<td>March-1997</td>
<td>Resolution made not to make further sexual abuse payments unless report received in support of claim</td>
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<td>March-1997</td>
<td>Information Update No. 1 issued</td>
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<td>April-1997</td>
<td>Regulations for payment of Past and Future Reunification Travel resolved</td>
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<td>April-1997</td>
<td>Resolution made to extend time for Notification to Claim</td>
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<td>May-1997</td>
<td>Bulk Assessment made of Past Travel Reunification Claims</td>
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<td>Cut-off Date for Sexual Abuse Reports set at 30-9-97</td>
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<td>Category</td>
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<td>Literacy Classes</td>
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<td>Reimburse Other</td>
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WA INSTITUTIONS RECONCILIATION TRUST

Special Purpose Financial Report
For the financial period ended 30 June 1997
WA INSTITUTIONS RECONCILIATION TRUST

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 1997

<table>
<thead>
<tr>
<th>Section</th>
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<tbody>
<tr>
<td>Statement by Manager</td>
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<tr>
<td>Auditors’ Report</td>
<td>2</td>
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<td>Statement by Trustees</td>
<td>3</td>
</tr>
<tr>
<td>Operating Statement</td>
<td>4</td>
</tr>
<tr>
<td>Balance Sheet</td>
<td>5</td>
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<tr>
<td>Notes to and Forming Part of the Accounts</td>
<td>6-7</td>
</tr>
<tr>
<td>Detailed Operating Statement</td>
<td>8</td>
</tr>
<tr>
<td>Detailed Statement of Distribution to Claimants</td>
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</table>
WA INSTITUTIONS RECONCILIATION TRUST

STATEMENT BY MANAGER

I certify that the accompanying financial statements, being a special purpose financial report, of the WA Institutions Reconciliation Trust have been prepared from proper accounts and records to present fairly the financial transactions for the period ended 30 June 1997 and the financial position as at 30 June 1997.

At the date of signing I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Date: 18 December 1997
Perth, WA

ANDREA LACE
INDEPENDENT AUDIT REPORT TO THE TRUSTEES
OF WA INSTITUTIONS RECONCILIATION TRUST

Scope
We have audited the attached financial statements, being a special purpose financial report, of the
WA Institutions Reconciliation Trust for the period ended 30 June 1997 as set out on pages 3 to 7. The Trustees are responsible for the preparation and presentation of the financial report and the information contained therein and have determined that the accounting policies used and described in Note 1 to the financial statements, are consistent with the financial reporting requirements of the Trust Deed and are appropriate to meet the needs of the trustees. We have conducted an independent audit of the financial report in order to express an opinion on it to the Trustees of the Trust. No opinion is expressed as to whether the accounting policies used and described in Note 1 are appropriate to the needs of the trustees.

Our audit has been conducted in accordance with Australian Auditing Standards applicable to the audit of special purpose financial reports. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 to the financial report. These policies do not require the application of all Accounting Standards, Urgent Issue Group Consensus Views and other mandatory professional reporting requirements.

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

Audit Opinion
In our opinion, the financial report presents fairly the financial position of the WA Institutions Reconciliation Trust as at 30 June 1997 and the results of its operations for the period then ended in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and other professional reporting requirements applied to the extent described in Note 1 to the financial report.

Date: 12 January 1998
Perth, WA
WA INSTITUTIONS RECONCILIATION TRUST

STATEMENT BY TRUSTEES

In the opinion of the Trustees the accompanying Operating Statement and Balance Sheet of the WA Institutions Reconciliation Trust are drawn up so as to give a true and fair view of the state of affairs of the Trust as at 30 June 1997 and of the results for the period ended on that date. There are, when this statement is made out, reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

As detailed in Note 1 to the accounts, the Trust is not a reporting entity because in the opinion of the trustees there are unlikely to exist users of the accounts who are unable to command the preparation of reports tailored so as to satisfy all their information needs. Accordingly, this “special purpose financial report” has been prepared to satisfy the trustees reporting requirements under the Trust Deed.

Signed in accordance with the resolution of trustees.

On behalf of the Trustees

BARRY MACKINNON
Trustee

DALTON GOODING
Trustee

Date: 19 December 1997
Perth, WA
WA INSTITUTIONS RECONCILIATION TRUST

OPERATING STATEMENT

for the financial period ended 30 June 1997

<table>
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Operating Surplus

Accumulated Surplus at the Beginning of the Financial Period

ACCUMULATED SURPLUS AT THE END OF THE FINANCIAL PERIOD 14,273

Notes to and forming part of the accounts are included on pages 6 to 7.
## WA INSTITUTIONS RECONCILIATION TRUST
### BALANCE SHEET
#### as at 30 June 1997

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### ACCUMULATED FUNDS
- **Trust Fund**: 3,948

### REPRESENTED BY:
- **CURRENT ASSETS**
  - **Cash**: 2,585,076

### TOTAL CURRENT ASSETS: 2,585,076

### NON-CURRENT ASSETS
- **Plant and Equipment**: 3,948

### TOTAL NON-CURRENT ASSETS: 3,948

### TOTAL ASSETS: 2,589,024

### CURRENT LIABILITIES
- **Creditors and Borrowings**: 138,681

### TOTAL CURRENT LIABILITIES: 138,681

### TOTAL LIABILITIES: 138,681

### NET ASSETS: 2,450,343

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Notes to and forming part of the accounts are included on pages 6 to 7.
WA INSTITUTIONS RECONCILIATION TRUST

NOTES TO AND FORMING PART OF THE ACCOUNTS

for the financial period ended 30 June 1997

1. SUMMARY OF ACCOUNTING POLICIES

General System of Accounting underlying the Financial Statements

The Trust is not a reporting entity because in the Trustee’s opinion there are unlikely to exist users of the accounts who are dependent on general purpose financial reports of the Trust for information. Accordingly, these accounts are a special purpose financial report, and have been prepared so as to provide information required by the Trustees for their purposes.

The accounts have been prepared on an accrual basis and in accordance with the basis of accounting and disclosure requirements specified by all applicable Accounting Standards and Urgent Issue Group Consensus Views, except for the disclosure requirements of:

AAS 22  “Related Party Disclosures”
AAS 28  “Statement of Cash Flows”

Accounting Policies which have been significant in the Preparation and Presentation of the Accounts

(a) Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost of each asset during its expected economic life.

(b) Income Tax

The Trust is exempt from income tax and accordingly no income tax has been provided for in these accounts.

(c) Commencement

The Trust was established on 14 August 1996 and accordingly there is no comparative information in these accounts. The financial period is from 14 August 1996 to 30 June 1997.

(d) Trust Constitution

The WA Institutions Reconciliation Trust has been constituted to exist for a maximum period of 3 years from 30 June 1996 but shall be wound up at the earlier of:

(i) the exhaustion of the Trust Fund,
(ii) when the Trustees reasonably determine that the purpose of the Trust Fund has been fulfilled,
(iii) three years from 30 June 1996.
2. OPERATING SURPLUS

The operating surplus includes the following items of revenue and expense:

REVENUE
Interest Revenue 75,796

EXPENSES
Depreciation of Plant and Equipment 2,852

3. TRUST FUND

Opening Balance 0
Settled Sum 3,500,000

3,500,000

Add: Operating Surplus 14,273
Amount Available for Distribution 3,514,273
Less: Amount Distributed to Claimants 1,063,930
Balance of Trust Fund as at 30/6/97 2,450,343

4. PLANT AND EQUIPMENT

Furniture and Equipment - At Cost 6,800
Less: Accumulated Depreciation (2,852)

3,948

5. CURRENT CREDITORS AND BORROWINGS

Trade Creditors 1,483
Accrued Charges 1,500
Accrued Distribution to Claimants 135,698

138,681
WA INSTITUTIONS RECONCILIATION TRUST

DETAILED OPERATING STATEMENT

for the period ended 30 June 1997

<table>
<thead>
<tr>
<th>INCOME</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Revenue</td>
<td>75,796</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountants Fees</td>
<td>800</td>
</tr>
<tr>
<td>Audit Fee</td>
<td>1,500</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>35</td>
</tr>
<tr>
<td>Consulting - Barmac</td>
<td>8,050</td>
</tr>
<tr>
<td>Courier</td>
<td>450</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,852</td>
</tr>
<tr>
<td>Federal Debits Tax</td>
<td>150</td>
</tr>
<tr>
<td>Financial Duty</td>
<td>2,215</td>
</tr>
<tr>
<td>Group Tax</td>
<td>8,405</td>
</tr>
<tr>
<td>Insurance</td>
<td>320</td>
</tr>
<tr>
<td>Postage</td>
<td>777</td>
</tr>
<tr>
<td>Printing</td>
<td>1,054</td>
</tr>
<tr>
<td>Rent &amp; Outgoings</td>
<td>3,333</td>
</tr>
<tr>
<td>Secretarial &amp; Admin Services</td>
<td>12,265</td>
</tr>
<tr>
<td>Stamp Duty</td>
<td>61</td>
</tr>
<tr>
<td>Stationery &amp; Office Supplies</td>
<td>1,500</td>
</tr>
<tr>
<td>Superannuation</td>
<td>1,600</td>
</tr>
<tr>
<td>Telephone &amp; Fax</td>
<td>1,081</td>
</tr>
<tr>
<td>Transaction Fees</td>
<td>117</td>
</tr>
<tr>
<td>Wages &amp; Salary</td>
<td>14,672</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>286</td>
</tr>
</tbody>
</table>

| TOTAL EXPENSES         | 61,523 |

| OPERATING SURPLUS FOR THE PERIOD | 14,273 |
WA INSTITUTIONS RECONCILIATION TRUST

DETAILED STATEMENT OF DISTRIBUTION TO CLAIMANTS

for the period ended 30 June 1997

<table>
<thead>
<tr>
<th>DISTRIBUTIONS</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000 Payments</td>
<td>452,000</td>
</tr>
<tr>
<td>$25,000 Sexual Abuse</td>
<td>325,000</td>
</tr>
<tr>
<td>Alcohol/Drug Rehabilitation</td>
<td>1,848</td>
</tr>
<tr>
<td>Current Medication Expenses</td>
<td>2,960</td>
</tr>
<tr>
<td>Current Therapy/Treatment</td>
<td>3,084</td>
</tr>
<tr>
<td>Emergency Relief</td>
<td>15,664</td>
</tr>
<tr>
<td>Employment</td>
<td>9,675</td>
</tr>
<tr>
<td>Housing</td>
<td>20,234</td>
</tr>
<tr>
<td>Literacy Classes</td>
<td>350</td>
</tr>
<tr>
<td>Past Medical Expenses</td>
<td>27,986</td>
</tr>
<tr>
<td>Past Travel Expenses (re: medical)</td>
<td>5,800</td>
</tr>
<tr>
<td>Past Travel Reunion</td>
<td>142,735</td>
</tr>
<tr>
<td>Reimbursement - Schooling</td>
<td>750</td>
</tr>
<tr>
<td>Report Fees</td>
<td>17,786</td>
</tr>
<tr>
<td>Transportation</td>
<td>20,765</td>
</tr>
<tr>
<td>Travel for Psychiatric Assessment</td>
<td>980</td>
</tr>
<tr>
<td>Travel (Future)</td>
<td>16,313</td>
</tr>
</tbody>
</table>

TOTAL DISTRIBUTION                            | 1,063,930|