

Financial statements

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Statement of financial performance

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	NOTE	CONSOLIDATED		WESFARMERS LIMITED	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Revenues from ordinary activities	2	7,385,656	4,388,650	967,702	870,612
Expenses from ordinary activities	3	(6,719,933)	(3,970,919)	(411,315)	(494,622)
Borrowing expenses	3	(94,084)	(68,681)	(92,963)	(66,725)
Share of net profits of associates	33	35,662	21,053	-	-
Profit from ordinary activities before income tax expense		607,301	370,103	463,424	309,265
Income tax expense relating to ordinary activities	6	193,115	118,499	4,494	27,975
Profit from ordinary activities after income tax expense		414,186	251,604	458,930	281,290
Net profit attributable to outside equity interests		263	598	-	-
Net profit attributable to members of the parent entity	23	413,923	251,006	458,930	281,290
Net exchange difference on translation of financial report of foreign controlled entities		(57)	109	-	-
Total changes in equity other than those resulting from transactions with owners as owners		413,866	251,115	458,930	281,290
Net profit attributable to members of the parent entity consists of:					
Net profit before goodwill amortisation		493,263	261,372	458,930	281,290
Goodwill amortisation		(79,340)	(10,366)	-	-
Net profit after goodwill amortisation		413,923	251,006	458,930	281,290
Basic and diluted earnings per share (cents per share)					
- before goodwill amortisation	35	138.2	96.2		
- after goodwill amortisation	35	116.0	92.4		
Franked dividends per share (cents per share)	7	111.0	87.0		

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

Statement of financial position

at 30 June 2002 - Wesfarmers Limited and its controlled entities

	NOTE	CONSOLIDATED		WESFARMERS LIMITED	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Current assets					
Cash assets	8	171,937	110,753	63,053	28,361
Receivables	9	971,284	741,317	2,474,899	1,607,710
Inventories	10	1,310,832	722,031	-	-
Total current assets		2,454,053	1,574,101	2,537,952	1,636,071
Non-current assets					
Receivables	9	255,264	191,723	226,328	140,174
Investments accounted for using the equity method	11	342,070	258,558	784	884
Other financial assets	12	30,203	106,514	4,591,718	3,152,789
Property, plant and equipment	13	1,819,127	1,512,069	25,935	23,748
Deferred tax assets		110,711	57,716	-	-
Intangible assets	14	1,601,291	295,751	-	-
Other	15	2	7,639	-	-
Total non-current assets		4,158,668	2,429,970	4,844,765	3,317,595
Total assets		6,612,721	4,004,071	7,382,717	4,953,666
Current liabilities					
Interest bearing liabilities	16	582,740	383,212	426,227	65,000
Payables	17	824,787	629,539	2,801,001	2,605,158
Current tax liabilities		45,028	47,657	5,983	10,968
Provisions	18	410,266	206,735	171,012	99,919
Other	19	159,536	141,193	5,271	4,016
Total current liabilities		2,022,357	1,408,336	3,409,494	2,785,061
Non-current liabilities					
Interest bearing liabilities	16	906,457	751,129	676,900	719,023
Payables	17	3,091	2,256	593	593
Deferred tax liabilities		94,631	97,429	3,147	7,672
Provisions	20	138,958	86,625	9,653	8,995
Other	21	37,150	40,488	-	-
Total non-current liabilities		1,180,287	977,927	690,293	736,283
Total liabilities		3,202,644	2,386,263	4,099,787	3,521,344
Net assets		3,410,077	1,617,808	3,282,930	1,432,322
Shareholders' equity					
Contributed equity	22	3,027,008	1,234,171	3,027,008	1,234,171
Reserves	23	182,059	123,436	201,405	142,726
Retained profits	23	190,619	236,534	54,517	55,425
Shareholders' equity attributable to members of Wesfarmers Limited		3,399,686	1,594,141	3,282,930	1,432,322
Outside equity interests in controlled entities	24	10,391	23,667	-	-
Total shareholders' equity		3,410,077	1,617,808	3,282,930	1,432,322

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

Statement of cash flows

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	NOTE	CONSOLIDATED		WESFARMERS LIMITED	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Cash flows from operating activities:					
Receipts from customers		7,941,660	4,311,473	470,265	462,121
Payments to suppliers and employees		(7,052,143)	(3,786,471)	(439,304)	(344,832)
Dividends received from associates		22,078	9,901	-	-
Dividends received - other		3,147	3,263	1	1
Dividends received from controlled entities		-	-	444,377	224,071
Interest received		15,733	10,644	94,441	64,021
Borrowing costs		(97,931)	(60,744)	(89,858)	(61,187)
Income tax paid		(148,830)	(104,416)	(14,849)	(17,351)
Net cash provided by operating activities	25(b)	683,714	383,650	465,073	326,844
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(230,429)	(242,690)	(5,992)	(4,188)
Acquisition of investments		(8,444)	(138,118)	(6,100)	-
Acquisition of entities	25(c)	(539,667)	(118,372)	-	(113,609)
Disposal of entities	25(d)	-	53,777	-	14,877
Advances to controlled entities		-	-	(653,214)	(384,594)
Loans advanced to related parties		-	(7,700)	-	(932)
Proceeds from sale of non-current assets		95,939	45,975	3,024	352
Other items		(192)	(4,118)	-	(3,603)
Net cash used in investing activities		(682,793)	(411,246)	(662,282)	(491,697)
Cash flows from financing activities:					
Proceeds from issue of shares		25,150	206,066	25,150	206,066
Costs associated with restructure		-	(30,709)	-	(30,709)
Proceeds (repayments) from borrowings		247,466	(28,675)	319,104	80,717
Repayment of employee share plan loans		52,265	54,972	52,265	54,972
Repayment of securitised receivable facility		(100,000)	-	-	-
Dividends paid					
- Ordinary shareholders		(164,618)	(120,631)	(164,618)	(120,631)
- Outside shareholders		-	(673)	-	-
Net cash provided by financing activities		60,263	80,350	231,901	190,415
Net increase in cash held		61,184	52,754	34,692	25,562
Cash at the beginning of the financial year		110,753	57,999	28,361	2,799
Cash at the end of the financial year	25(e)	171,937	110,753	63,053	28,361

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

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company and the consolidated accounts are a general purpose financial report which has been drawn up in accordance with applicable accounting standards and the requirements of the Corporations Act 2001 and other mandatory professional reporting requirements (Urgent Issues Consensus Views). They have been prepared in accordance with the historical cost convention. Cost in relation to assets represents the cash amount paid or the fair value of the assets given in exchange. The accounting policies are consistent with those of the previous year unless otherwise specified.

(a) Principles of consolidation

The consolidated accounts are those of the consolidated entity, comprising Wesfarmers Limited (the chief entity) and all entities which Wesfarmers Limited controlled from time to time during the year and at year's end.

All significant inter-entity balances, transactions and unrealised profits arising from inter-entity transactions have been eliminated in full.

The consolidated entity's proportion of joint venture assets, liabilities and expenses is included in the accounts under the relevant items. The consolidated entity's interest in joint ventures is shown in note 36.

The consolidated entity has accounted for its investments in associates in accordance with the equity method of accounting in its consolidated accounts. The cost method of accounting has continued to be applied in Wesfarmers Limited's accounts. The consolidated entity's interest in associated entities is shown in note 33.

(b) Revenue recognition

Revenues are recognised when the control of goods sold has passed to a buyer or when services have been rendered.

(c) Receivables

Receivables are carried at nominal amounts less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.

Finance advances and loans

Rural advances are made for a maximum of 365 days and are usually secured against clients' livestock and wool. The maximum loan to a client is usually determined as a proportion of their anticipated cashflow.

Employee share plan

Employee share plan loans are repayable from dividends or proceeds from the sale of the shares by employees.

Trade debtors

Credit sales are normally on 7-30 day terms.

(d) Inventories

Inventories, including work in progress, are valued at the lower of cost and net realisable value. For manufactured inventory, cost is derived on an absorption costing basis, which includes the cost of direct materials and labour and a proportion of fixed and variable overheads based on normal operating capacity.

(e) Investments

The consolidated entity's interests in companies, other than controlled entities and associated entities, are included in the accounts as investments and only dividend income received or receivable is taken into profits. Associated entities are those in which the consolidated entity holds a significant shareholding of the issued ordinary share capital and participates in commercial and policy decision making. Particulars of associated entities are set out in note 33.

Long term investments are stated at the lower of cost and their recoverable amount.

(f) Income tax

Tax effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a deferred tax asset or deferred tax liability. The net deferred tax asset relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain.

(g) Depreciation and amortisation

Buildings, plant and equipment are depreciated on a straight line basis so as to write off the cost or valuation of each asset less estimated residual value at the end of the life of the asset over its anticipated useful life. The major depreciation periods are:

Plant and equipment	5 – 15 years
Buildings	20 – 40 years

Leasehold improvements are amortised over the period of the lease or the anticipated useful life of the improvements, whichever is shorter.

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Mining, exploration and development costs

Accumulated exploration and evaluation expenditure on areas where activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves or where such costs are expected to be recouped through successful exploitation or sale, is carried forward. All other exploration and evaluation expenditure is either provided for or written off.

Expenditure carried forward in respect of areas of interest in which production has commenced is amortised over the life of the mine based on the rate of depletion of the economically recoverable reserves.

Amortisation is not charged on expenditure carried forward in respect of areas of interest in the development phase in which production has not yet commenced.

(i) Leases

The consolidated entity leases certain land and buildings and plant and equipment. The cost of improvements to or on leasehold property is disclosed as leasehold improvements and amortised over the unexpired period of the lease or the anticipated useful life of the improvements, whichever is shorter.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

(j) Capitalisation of interest

Interest charges on funds invested in major projects with substantial development and construction phases are capitalised to the project until such time as the project becomes operational.

(k) Deferred expenditure

Significant items of expenditure on new projects having a benefit or relationship to more than one period are carried forward and written off over the periods to which the benefit of the expenditure relates.

(l) Intangibles

Trade names

The trade names of the consolidated entity are considered to be identifiable assets and are included in the financial accounts at the lower of cost of acquisition or recoverable amount.

The residual value of these assets is such that there is no depreciable amount to be amortised and accordingly no amortisation has been provided against the carrying value of these assets.

Goodwill

Goodwill represents the excess of the purchase consideration over the adjusted book value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Goodwill is assessed at the time of acquisition and is amortised over a period not exceeding 20 years.

(m) Borrowings

Bank overdraft

The bank overdraft is carried at its principal amount subject to set-off arrangements. Interest is charged on a monthly basis as an expense at the banks' benchmark rate as it accrues.

Deposits

Retail deposits are carried at their principal amount and are repayable either at call or over a period not exceeding four years. Interest is charged on a monthly basis as an expense at commercial deposit rates as it accrues.

Bank and other loans

Bank promissory notes and other loans are carried at their principal amount less any unexpired discount for bank bills. These loans are generally borrowed for short terms under long term facilities. The loans are allocated between current and non-current based on the repayment period for the facilities. Interest is charged as an expense at short term commercial rates as it accrues.

(n) Payables

Liabilities are recognised for amounts to be paid in future for goods and services received, whether or not billed to the consolidated entity. These liabilities are normally settled on 30 day terms.

(o) Employee entitlements

Provisions have been made against profits for amounts expected to be paid to employees for accrued annual leave, long service leave and retirement entitlements. Expenses which are consequential to the employment of the employees, for example payroll tax associated with employee entitlements, have also been recognised as liabilities and included in the amount for employee entitlements.

Contributions to superannuation funds are charged to the statement of financial performance when paid.

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Restoration obligations

Provision is made for the consolidated entity's estimated liability under specific legislative requirements and the conditions of its mining leases for future costs, at undiscounted amounts, expected to be incurred restoring areas of interest. The liability includes the cost of reclamation of the site using existing technology, including plant removal and landfill costs. These costs are recognised gradually over the life of each mine with any changes to the total estimated liability being recognised on a prospective basis.

(q) Dividends payable

Dividends payable are recognised when declared by the company. The provision for dividend represents the probable cash pay out portion of the company's final dividend. The share reinvestment reserve represents the probable final dividend to be reinvested under the terms of the company's dividend investment plan, based on past levels of participation in the plan.

(r) Provisions

Provisions are recognised when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the obligation.

(s) Unearned income

Insurance premiums and commission income are brought to account using the 365ths method of calculation.

(t) Foreign currencies

Transactions in foreign currencies are translated at the rates of exchange applicable at the date of each transaction. Foreign currency balances arising from these transactions are translated at the rate of exchange at balance date. To the extent that such balances are hedged, the effect of the hedging is taken into account. Gains and losses arising from these transactions are taken directly to the statement of financial performance.

Where a purchase or sale is specifically hedged, exchange gains or losses on the hedging transaction arising up to the date of the purchase or sale are included with the purchase or sale.

Assets and liabilities of foreign controlled entities that are outstanding at balance date are converted at the rates of exchange ruling at balance date. The resulting translation gains or losses on capital invested are transferred to the foreign currency translation reserve.

(u) Terms and condition of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(v) Comparison

Certain reclassifications have been made to the prior year's accounts in order to enhance comparability with those of the current year.

(w) Rounding

The amounts contained in this report have been rounded to the nearest thousand dollars under the option available to the company under ASIC Class Order 98/100.

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
2 REVENUE FROM ORDINARY ACTIVITIES				
Revenue from the sale of goods	6,677,365	3,723,705	418,867	414,760
Revenue from services	515,172	519,579	6,496	6,639
Proceeds on sale of non-current assets	105,732	91,194	3,024	160,789
Dividends				
- Controlled entities	-	-	444,377	224,071
- Other corporations	3,147	3,263	1	1
Interest (see note 4)	13,791	12,934	94,441	63,951
Rent received	5,913	5,908	-	-
Other income	64,536	32,067	496	401
Total revenue from ordinary activities	7,385,656	4,388,650	967,702	870,612
3 EXPENSES AND OTHER GAINS (LOSSES)				
(a) Expenses				
Cost of goods sold	4,871,541	2,776,733	351,076	352,779
Distribution expenses	131,159	95,320	-	-
Sales and marketing expenses	1,075,261	558,085	-	-
Direct selling expenses	233,763	288,511	-	-
Administration expenses	287,503	174,171	57,725	34,004
Other expenses	120,706	78,099	2,514	107,839
Total expenses from ordinary activities	6,719,933	3,970,919	411,315	494,622
Bad and doubtful debts				
Trade debtors	10,562	7,237	6	(60)
Finance advances and loans	65	-	-	-
	10,627	7,237	6	(60)
Depreciation and amortisation				
Depreciation - Buildings	12,717	4,769	129	59
- Plant and equipment	186,058	137,024	2,333	1,402
Amortisation - Leasehold improvements	3,796	3,415	16	21
- Mineral exploration and development costs	10,322	8,759	-	-
- Goodwill	79,340	10,366	-	-
	292,233	164,333	2,478	1,482
Borrowing expenses				
Interest paid (see note 4)	90,979	66,757	89,858	64,801
Other borrowing costs	3,105	1,924	3,105	1,924
	94,084	68,681	92,963	66,725

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
3 EXPENSES AND OTHER GAINS (LOSSES) (continued)				
(a) Expenses (continued)				
Write down of non-current assets				
Investments	3,610	-	-	-
Property, plant and equipment	-	1,556	-	-
Goodwill	100	2,115	100	-
Operating lease rentals	181,652	52,245	1,795	-
Provision charged against profits				
Employee entitlements	45,303	26,990	8,370	8,677
Restoration obligations	4,501	4,843	-	-
Restructure	3,500	2,050	-	-
Other	9,405	14,005	12,529	6,538
Government mining royalties	5,011	9,096	-	-
Mineral exploration and development costs written off	70	57	-	-
Contributions to defined benefit superannuation funds	979	981	-	-
(b) Gains				
Profit on sale of property, plant and equipment	11,522	13,783	1,697	183
Profit on sale of listed investments	2,560	6,831	-	-
Profit on sale of controlled entities	-	1,374	-	52,231
Foreign exchange gains	964	510	-	-
4 NET INTEREST				
Interest paid/payable to:				
Ultimate parent entity	-	-	-	1,322
Controlled entities	-	-	33,684	24,147
Other persons/corporations	90,979	66,757	56,174	39,332
	90,979	66,757	89,858	64,801
Less interest received/receivable from:				
Controlled entities	-	-	93,116	61,893
Associated entities	490	105	28	56
Other persons/corporations	13,301	12,829	1,297	2,002
	13,791	12,934	94,441	63,951
Net interest	77,188	53,823	(4,583)	850

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
5 AUDITORS' REMUNERATION				
Amounts received or due and receivable by the auditors for:				
Audit or review of the financial report	1,777	965	345	236
Other services	1,345	1,738	1,249	1,583
	3,122	2,703	1,594	1,819
6 INCOME TAX				
The prima facie tax on profit from ordinary activities differs from the income tax provided in the financial statements as follows:				
Prima facie tax at 30% (2001: 34%) on profit from ordinary activities	182,190	125,835	139,027	105,150
Tax effect on permanent differences:				
Rebateable dividends	(729)	(334)	(133,314)	(75,944)
Depreciation and amortisation	26,685	6,179	68	8
Capital profits	(2,256)	(5,719)	(277)	(1,041)
Development allowance	(648)	(557)	-	-
Non-allowable items	1,417	3,114	119	579
Other items	864	340	(538)	(38)
Share of associated companies net profit after tax	(9,004)	(5,717)	-	-
Gain on change in income tax rates	-	(4,003)	-	(957)
Adjustment relating to previous year	(5,404)	(639)	(591)	218
Income tax attributable to operating profit	193,115	118,499	4,494	27,975
Total income tax comprises:				
Amount set aside to provision for income tax	153,304	98,653	8,846	15,416
Amount (withdrawn from) set aside to deferred tax liabilities	(5,041)	17,040	(4,292)	12,584
Amount withdrawn from (set aside to) deferred tax asset	44,852	2,806	(60)	(25)
	193,115	118,499	4,494	27,975
7 DIVIDENDS PROVIDED FOR OR PAID				
Additional final dividend for the year ended 30 June 2001 on shares issued to acquire Howard Smith Limited	47,424	-	47,424	-
34 cents per share (2001: 27 cents) interim dividend paid on ordinary shares	125,878	76,343	125,878	76,343
77 cents per share (2001: 60 cents) final dividend provided on ordinary shares	286,664	169,048	286,664	169,048
	459,966	245,391	459,966	245,391
Franking credits available for subsequent financial years after allowing for the payment of income tax payable as at 30 June 2002 and the payment of the final dividend provided at 30 June 2002	-	2,799		

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
8 CASH ASSETS				
Cash on hand	6,375	1,941	7	7
Cash on deposit and at bank	165,562	108,812	63,046	28,354
	171,937	110,753	63,053	28,361
Weighted average effective interest rates				
- Cash on deposit and at bank	3.9%	5.5%		
9 RECEIVABLES				
Current				
Finance advances and loans	12,656	24,887	-	-
Less provision for doubtful debts	168	114	-	-
	12,488	24,773	-	-
Employee share plan loans	15,931	11,970	15,931	11,970
	28,419	36,743	15,931	11,970
Trade debtors	801,250	604,127	9,609	14,025
Less provision for doubtful debts	35,851	27,957	15	9
	765,399	576,170	9,594	14,016
Amounts from:				
Controlled entities	-	-	2,445,368	1,579,876
Associated entities	248	3,530	-	21
Other debtors and prepayments	177,218	124,874	4,006	1,827
	177,466	128,404	2,449,374	1,581,724
	971,284	741,317	2,474,899	1,607,710
Non-current				
Finance advances and loans	15	81	-	-
Employee share plan loans	226,328	139,242	226,328	139,242
	226,343	139,323	226,328	139,242
Other debtors and prepayments	28,921	52,400	-	932
	255,264	191,723	226,328	140,174
Weighted average effective interest rates				
- Finance advances and loans	8.1%	9.1%		

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
10 INVENTORIES				
Raw materials:				
At cost	51,086	51,420	-	-
At net realisable value	6,269	6,602	-	-
	57,355	58,022	-	-
Work in progress:				
At cost	89,542	87,002	-	-
Finished goods:				
At cost	1,163,564	576,563	-	-
At net realisable value	371	444	-	-
	1,163,935	577,007	-	-
Total inventories at lower of cost and net realisable value	1,310,832	722,031	-	-
11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Units in listed property trust at cost	50,935	49,266	-	-
Shares at cost	226,089	157,793	184	184
	277,024	207,059	184	184
Share of retained earnings and reserves of associated entities	36,141	22,038	-	-
	313,165	229,097	184	184
Loans to associated entities	28,905	29,461	600	700
	342,070	258,558	784	884
Aggregate quoted market value at balance date of units listed on a prescribed stock exchange				
Units in listed property trust	74,595	66,006	-	-
12 OTHER FINANCIAL ASSETS				
Investments in controlled entities:				
Shares at cost	-	-	3,084,968	3,078,868
Loans at cost	-	-	1,500,678	43,123
	-	-	4,585,646	3,121,991
Investments in other listed entities:				
Shares at cost	26,550	23,575	-	-
Other investments:				
Shares at cost	3,293	59,038	6,072	7,322
Other loans at cost	360	23,901	-	23,476
	3,653	82,939	6,072	30,798
	30,203	106,514	4,591,718	3,152,789
Aggregate quoted market value at balance date of investments listed on a prescribed stock exchange comprise:				
Shares	30,300	22,666	-	-

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	Gross value of assets \$000	2002 Provision for depreciation/ amortisation \$000	Net fixed assets \$000	Gross value of assets \$000	2001 Provision for depreciation/ amortisation \$000	Net fixed assets \$000
13 PROPERTY, PLANT AND EQUIPMENT						
Consolidated						
Investment property:						
At cost	-	-	-	17,250	-	17,250
Freehold land:						
At cost	211,068	-	211,068	91,870	-	91,870
Buildings:						
At cost	306,230	47,486	258,744	145,899	41,324	104,575
Leasehold improvements:						
At cost	44,077	10,958	33,119	45,299	10,294	35,005
Plant, vehicles and equipment:						
At cost	1,720,279	679,339	1,040,940	1,720,440	727,638	992,802
Under construction at cost	33,439	-	33,439	30,721	-	30,721
	1,753,718	679,339	1,074,379	1,751,161	727,638	1,023,523
Mineral exploration and development costs:						
Production						
Mineral reserves at cost	274,468	41,013	233,455	261,003	30,691	230,312
Pre-production						
Mineral reserves at cost	-	-	-	772	-	772
	274,468	41,013	233,455	261,775	30,691	231,084
Plantations at cost	8,362	-	8,362	8,762	-	8,762
	2,597,923	778,796	1,819,127	2,322,016	809,947	1,512,069
Wesfarmers Limited						
Freehold land:						
At cost	1,465	-	1,465	2,262	-	2,262
Buildings:						
At cost	4,655	2,189	2,466	5,536	2,505	3,031
Leasehold improvements:						
At cost	1,311	242	1,069	1,311	220	1,091
Plant, vehicles and equipment:						
At cost	28,655	7,720	20,935	23,193	5,829	17,364
	36,086	10,151	25,935	32,302	8,554	23,748

Current values of land and buildings

The current value of the Wesfarmers Limited controlled entities' land and buildings at 30 June 2002 was \$512 million. The values are based on directors' valuations as at 30 June 2000 plus additions at cost less disposals since that date.

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
13 PROPERTY, PLANT AND EQUIPMENT (continued)				
Movements during the year				
Freehold land:				
Carrying amount at beginning	91,870	88,864	2,262	2,513
Additions	16,736	4,632	-	-
Transfers	(4,574)	-	-	-
Disposals	(5,354)	(11,969)	(797)	(251)
Additions through acquisition of entities	112,390	10,343	-	-
	211,068	91,870	1,465	2,262
Buildings:				
Carrying amount at beginning	104,575	100,764	3,031	3,017
Additions	8,093	10,430	-	31
Transfers	27,052	-	-	-
Disposals	(9,603)	(1,850)	(436)	-
Additions through acquisition of entities	141,344	-	-	-
Depreciation expense	(12,717)	(4,769)	(129)	(17)
	258,744	104,575	2,466	3,031
Leasehold improvements:				
Carrying amount at beginning	35,005	5,368	1,091	1,112
Additions	1,728	4,222	-	-
Transfers	(40)	26,609	-	-
Disposals	(567)	(89)	(6)	(3)
Additions through acquisition of entities	789	2,310	-	-
Amortisation expense	(3,796)	(3,415)	(16)	(18)
	33,119	35,005	1,069	1,091
Plant, vehicles and equipment:				
Carrying amount at beginning	1,023,523	1,005,112	17,364	14,657
Additions	194,280	153,597	5,992	4,188
Transfers	(40,934)	6,635	-	-
Disposals	(49,651)	(16,819)	(88)	(972)
Additions through acquisition of entities	133,219	12,022	-	-
Depreciation expense	(186,058)	(137,024)	(2,333)	(509)
	1,074,379	1,023,523	20,935	17,364
Mineral exploration and development costs:				
Carrying amount at beginning	231,084	255,854	-	-
Additions	9,592	17,233	-	-
Transfers	3,101	(33,244)	-	-
Amortisation expense	(10,322)	(8,759)	-	-
	233,455	231,084	-	-
Plantations at cost:				
Carrying amount at beginning	8,762	49,576	-	-
Additions	-	1,107	-	-
Disposals	(400)	(41,921)	-	-
	8,362	8,762	-	-

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
14 INTANGIBLE ASSETS				
Trade names at cost	41,600	41,600	-	-
Goodwill at cost	1,691,855	310,179	-	-
Less provision for amortisation	132,164	56,028	-	-
	1,559,691	254,151	-	-
	1,601,291	295,751	-	-
15 OTHER NON-CURRENT ASSETS				
Deferred expenditure	2	7,639	-	-
16 INTEREST BEARING LIABILITIES				
Current				
Secured				
- Bank loans	4,041	4,322	-	-
Unsecured				
- Deposits	295,732	311,262	-	-
- Promissory notes	109,857	-	109,857	-
- Bank loans	39,771	65,515	18,000	65,000
- Bank bills	129,054	-	298,370	-
- Other loans	4,285	2,113	-	-
	582,740	383,212	426,227	65,000
Non-current				
Secured				
- Bank loans	138,519	161,044	250,000	-
Unsecured				
- Deposits	3,116	4,219	-	-
- Bank loans	318,362	-	-	-
- Bank bills	426,900	570,874	426,900	719,023
- Other loans	19,560	14,992	-	-
	906,457	751,129	676,900	719,023

Secured loans

The weighted average interest rate on secured loans was 7.3% (2001: 6.9%).

Bank and other loans

Bank, promissory notes and other loans bear interest at short term commercial rates payable monthly or payable at the time of maturity. The weighted average interest rate was 5.5% (2001: 6.3%) for the year ended 30 June 2002 and includes any interest rate hedging adjustments (see note 29(a)).

Deposits

Deposits bear interest at commercial deposit rates. The weighted average interest rate was 4.1% (2001: 5.5%) for the year ended 30 June 2002.

Secured liabilities

Specific and floating charge over the assets of Wesfarmers Bengalla Limited and Wesfarmers Kleenheat Elpiji Limited.

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
17 PAYABLES				
Current				
Trade creditors and accruals	824,415	629,167	19,645	19,700
Amounts other than trade creditors payable to:				
- Controlled entities	-	-	2,780,984	2,585,086
- Associated entities	372	372	372	372
	824,787	629,539	2,801,001	2,605,158
Non-current				
Trade creditors and accruals	3,091	2,256	-	-
Amounts other than trade creditors payable to controlled entities	-	-	593	593
	3,091	2,256	593	593
18 PROVISIONS (CURRENT)				
Employee entitlements	121,711	86,994	15,135	15,139
Restoration obligations	4,744	2,994	-	-
Restructure	63,022	17,332	-	250
Other	77,457	14,891	12,545	6
	266,934	122,211	27,680	15,395
Dividends	143,332	84,524	143,332	84,524
	410,266	206,735	171,012	99,919
19 OTHER CURRENT LIABILITIES				
Unearned insurance premiums	101,608	87,277	5,271	4,016
Outstanding insurance claims	57,928	53,916	-	-
	159,536	141,193	5,271	4,016
20 PROVISIONS (NON-CURRENT)				
Employee entitlements	28,387	29,527	9,653	8,995
Restoration obligations	52,717	51,104	-	-
Restructure	54,457	-	-	-
Other	3,397	5,994	-	-
	138,958	86,625	9,653	8,995
21 OTHER NON-CURRENT LIABILITIES				
Outstanding insurance claims	37,150	40,488	-	-

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
22 CONTRIBUTED EQUITY				
Issued and paid up capital is as follows:				
372,291,010 (2001: 281,746,266) ordinary shares	3,027,008	1,234,171	3,027,008	1,234,171
Shares issued during the year:				
Employee share plan:				
5,107,737 ordinary shares fully paid at \$30.35 per share				
Dividend investment plan:				
3,483,716 ordinary shares fully paid at \$29.53 per share				
2,060,316 ordinary shares fully paid at \$30.65 per share				
Acquisition of Howard Smith Limited:				
79,032,975 ordinary shares at \$18.30 per share				
Share placement:				
860,000 ordinary shares at \$29.58 per share				
Movement in capital during the year:				
Balance at beginning of year	1,234,171	892,192	1,234,171	892,192
Issue of shares during the year	1,792,889	2,777,872	1,792,889	2,777,872
Costs associated with the issue of shares and other costs of the capital restructure	(52)	(33,643)	(52)	(33,643)
Net discount on acquisition of entities acquired under the simplification plan	-	48,623	-	48,623
Adjustment arising from the sale of Gresham Partners Management Limited under the simplification plan	-	5,900	-	5,900
Shares repurchased during the year	-	(2,456,773)	-	(2,456,773)
Balance at end of year	3,027,008	1,234,171	3,027,008	1,234,171

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
23 RESERVES AND RETAINED PROFITS				
Capital reserve	24,170	24,170	-	-
Asset revaluation reserve	14,004	14,132	58,074	58,202
Foreign currency translation reserve	554	610	-	-
Share re-investment reserve	143,331	84,524	143,331	84,524
	182,059	123,436	201,405	142,726
<p>The asset revaluation reserve that was transferred to retained profits at 30 June 2001 has been restated back to the asset revaluation reserve in the current year's comparatives.</p> <p>Share re-investment reserve: Provision for dividend to be reinvested in share capital under the terms of the company's dividend investment plan on the payment of the final dividend</p>				
	143,331	84,524	143,331	84,524
Utilisation of share re-investment reserve on issue of shares	(84,524)	(63,285)	(84,524)	(63,285)
<p>Retained profits:</p>				
Balance at beginning of the year	236,534	225,121	55,425	15,586
Net profit attributable to members of Wesfarmers Limited	413,923	251,006	458,930	281,290
Transfer from reserves - foreign currency reserve	-	297	-	-
- insurance reserve	-	333	-	-
- general reserve	-	5,168	-	3,940
- asset revaluation reserve	128	-	128	-
Total available for appropriation	650,585	481,925	514,483	300,816
Dividends provided for or paid	(459,966)	(245,391)	(459,966)	(245,391)
	190,619	236,534	54,517	55,425

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
24 OUTSIDE EQUITY INTEREST				
Issued capital	10,562	23,225		
Reserves	(456)	3		
Retained profits	285	439		
	10,391	23,667		
25 CASH FLOWS				
(a) Non cash financing and investing activities:				
Share capital issues:				
Acquisition of Howard Smith Limited	1,446,303	-	1,446,303	-
Dividend investment plan	166,023	71,697	166,023	71,697
Employee share plan	155,020	74,450	155,020	74,450
Simplification plan	-	20,474	-	20,474
	1,767,346	166,621	1,767,346	166,621
Dividends:				
Employee share plan repayments	11,708	10,575	11,708	10,575
(b) Reconciliation of net cash provided by operating activities to operating profit after income tax:				
Operating profit after income tax	414,186	251,604	458,930	281,290
Depreciation and amortisation	292,233	164,333	2,478	1,482
Provisions charged against profits	62,709	47,888	20,899	15,215
Profit on sale of non-current assets	(14,082)	(21,988)	(1,697)	(52,414)
Share of associated companies profit after tax	(35,662)	(21,053)	-	-
Dividends received from associated companies	23,618	13,902	-	-
Write down of non-current assets	3,710	3,671	100	-
Other items	4,570	3,087	30	83
Changes in assets and liabilities net of effects of acquisitions of entities and businesses:				
Decrease (increase) in accounts receivable	115,597	11,989	(3,711)	(184,183)
Increase in inventories	(46,043)	(83,786)	-	-
(Decrease) increase in accounts payable	(120,615)	4,949	3,014	264,326
Increase in insurance provisions	15,005	26,326	1,255	-
Provisions applied	(67,374)	(31,355)	(8,298)	-
Increase (decrease) in deferred taxes payable	38,491	19,846	(4,212)	2,709
Decrease in income tax payable	(2,629)	(5,763)	(3,715)	(1,664)
Net cash provided by operating activities	683,714	383,650	465,073	326,844

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED	
	2002 \$000	2001 \$000
25 CASH FLOWS (continued)		
(c) Entities acquired:		
The entities acquired were Howard Smith Limited and StateWest Power Limited in the current financial year and IAMA Limited in the previous financial year	2,022,905	160,268
Fair value of net assets acquired:		
Cash	31,191	41,896
Receivables (current)	229,699	201,345
Inventories (current)	525,374	97,384
Other (current)	1,489	-
Other financial assets (non-current)	333	413
Receivables (non-current)	-	115
Other (non-current)	-	2,096
Intangibles	1,382,052	170,215
Property, plant and equipment	387,742	24,675
Deferred tax assets	97,847	34,473
Payables (current)	(309,895)	(143,489)
Interest bearing liabilities (current)	(131,156)	(26,891)
Provision for restructure (current)	(66,409)	(18,193)
Provision other (current)	(58,622)	(22,978)
Provision for income tax (current)	7,103	(1,717)
Payables (non-current)	-	(102)
Provision for restructure (non-current)	(55,765)	-
Provision other (non-current)	(10,610)	(7,986)
Deferred tax liabilities	(2,243)	-
Interest bearing liabilities (non-current)	(5,225)	(190,988)
	2,022,905	160,268
Outflow of cash to acquire the entities:		
Consideration	2,022,905	160,268
Less equity shares issued	(1,446,303)	-
Less outside equity interests acquired	(5,744)	-
Less cash balances acquired	(31,191)	(41,896)
	539,667	118,372
The provision for restructure mainly relates to the closure of 135 BBC hardware stores and employee redundancies.		
(d) Entities disposed:		
Consideration	-	54,131
Cash balance disposed	-	(354)
	-	53,777
Book value of assets and liabilities disposed		
Receivables (current)	-	11,757
Inventories (current)	-	11,882
Property, plant and equipment	-	46,509
Deferred tax asset	-	31
Payables (current)	-	(150)
Provisions (current)	-	(2,737)
Deferred tax liability	-	(11,351)
Other (non-current)	-	(3,538)
	-	52,403

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
25 CASH FLOWS (continued)				
(e) Reconciliation of cash:				
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:				
Cash on hand	6,375	1,941	7	7
Cash on deposit and at bank	165,562	108,812	63,046	28,354
	171,937	110,753	63,053	28,361
26 COMMITMENTS				
Lease commitments (substantially in connection with leased property)				
Amounts due under operating lease:				
Within 1 year	125,078	44,837	1,767	1,577
Within 1-5 years	303,244	100,451	5,162	5,559
Over 5 years	254,554	55,541	-	-
	682,876	200,829	6,929	7,136
Commitments arising from contracts for capital expenditure contracted for at balance date but not provided for:				
Consolidated entity:				
Due within 1 year	57,817	15,036	-	-
27 CONTINGENT LIABILITIES				
Wesfarmers Limited and all the controlled entities marked "+" in note 32 have entered into a deed of cross guarantee pursuant to the ASIC Class Orders, whereby they covenant with a trustee for the benefit of each creditor, that they guarantee to each creditor payment in full of any debt on the event of any entity, including Wesfarmers Limited, being wound up.				
Wesfarmers Bengalla Limited may become liable for additional joint venture capital contributions under a second phase equity agreement in the event that the joint venture capital expenditure exceeds amounts set out in the project finance reference budget.				
28 FINANCING ARRANGEMENTS				
The consolidated entity has unrestricted access to the following finance facilities:				
Overdraft	5,000	5,000	5,000	5,000
Multi purpose facilities	180,000	180,000	180,000	180,000
Term loan	363,211	-	250,000	-
Bank bill lines	980,000	1,000,000	980,000	1,000,000
Committed standby lines to support commercial paper program	300,000	-	300,000	-
	1,828,211	1,185,000	1,715,000	1,185,000
Amount of credit unused	758,078	454,925	735,000	454,925
The unused amounts of the facilities have the following terms:				
Within 1 year	735,000	354,925	735,000	354,925
Within 1-2 years	5,660	10,000	-	10,000
Within 2-5 years	17,418	90,000	-	90,000
	758,078	454,925	735,000	454,925

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

29 FINANCIAL INSTRUMENTS

Recognised financial instruments

The consolidated entity has recognised certain financial instruments in the accounts. These financial instruments are disclosed in notes 8, 9, 12, 16 and 17.

Unrecognised financial instruments

The consolidated entity, through its diverse operations, is exposed to financial risks from movements in foreign exchange rates, interest rates and commodity prices. The consolidated entity manages the foreign exchange and interest rate exposures using a comprehensive set of policies and procedures approved by the Board of Directors. Speculative trading is specifically prohibited by policy.

The consolidated entity is party to financial instruments for the purpose of reducing its exposure to adverse fluctuations in foreign exchange and interest rates. The hedging instruments are subject to fluctuations in value and any such fluctuations are generally offset by the value of the underlying financial risks being hedged.

(a) Interest rate risk exposure

The consolidated entity enters into various derivative transactions with the objective of obtaining lower funding costs and a more stable and predictable interest cost outcome principally employing the use of interest rate swaps. In addition, forward interest rate agreements, caps and floors are utilised. For interest rate swaps and forward rate agreements, the consolidated entity agrees with counterparties to exchange, at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Any amounts paid or received relating to interest rate swaps and forward rate agreements are recognised as adjustments to interest expense over the life of each contract swap, thereby adjusting the effective interest rate on the underlying obligations. At 30 June 2002 the fixed rates varied from 4.9% to 6.7% (2001: 5.7% to 6.7%) and the majority of the floating rates were at bank bill rates.

The consolidated entity's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below.

Note	Floating \$000	FIXED INTEREST MATURING IN:			Non-interest bearing \$000	Total \$000
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000		
2002						
Financial assets						
Cash assets	8	125,863	-	-	46,074	171,937
Receivables	9	-	12,488	15	1,214,045	1,226,548
Other financial assets	12	-	-	-	30,203	30,203
		125,863	12,488	15	1,290,322	1,428,688
Financial liabilities						
Interest bearing liabilities	16	1,489,197	-	-	-	1,489,197
Payables	17	-	-	-	827,878	827,878
		1,489,197	-	-	827,878	2,317,075
Interest swaps*		(803,780)	70,000	424,840	308,940	-
2001						
Financial assets						
Cash assets	8	97,243	-	-	13,510	110,753
Receivables	9	-	24,773	81	908,186	933,040
Other financial assets	12	-	-	-	106,514	106,514
		97,243	24,773	81	1,028,210	1,150,307
Financial liabilities						
Interest bearing liabilities	16	1,134,341	-	-	-	1,134,341
Payables	17	-	-	-	631,795	631,795
		1,134,341	-	-	631,795	1,766,136
Interest swaps*		(547,830)	-	260,000	287,830	-

*Notional principal amounts

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

29 FINANCIAL INSTRUMENTS (continued)

(b) Foreign exchange risk exposure

The consolidated entity enters into foreign exchange contracts and currency options to hedge capital obligations, expenses and revenues denominated in foreign currencies (principally US dollars). Benefits or costs arising from currency hedges for expense and revenue transactions are brought to account in the statement of financial performance at the same time as the hedged transaction is brought to account. For transactions to hedge specific capital or borrowing commitments any cost or benefit resulting from the hedge forms part of the initial asset or liability carrying value.

The following table sets out the gross value to be received under foreign currency contracts, the weighted average contracted exchange rates and the range of settlement dates of outstanding contracts.

	AVERAGE EXCHANGE RATE		CONSOLIDATED	
	2002	2001	2002 \$000	2001 \$000
Buy US dollars				
Not longer than one year	0.5378	0.5184	44,649	13,602
Sell US dollars				
Not longer than one year	0.5581	0.5466	287,436	294,547
Longer than one year but not longer than two years	0.5613	0.5949	236,592	106,062
Longer than two years but not longer than three years	0.5699	0.6006	170,212	100,907
Longer than three years but not longer than four years	0.5326	0.6026	124,492	95,935
Longer than four years but not longer than five years	0.5211	0.5496	41,447	57,310

As these contracts are hedging future sales, purchases and capital commitments any unrealised gains and losses on the contracts, together with the costs of the contract, will be recognised in the financial statements at the time the underlying transaction occurs. The net unrecognised loss on hedges of future foreign currency purchases and sales (that is, assuming no matching of physical transactions are taken into account) as at 30 June 2002 was \$24.5 million (2001: \$94.8 million).

(c) Commodity price risk management

The consolidated entity manages commodity price risk, as appropriate, depending upon the availability of suitable risk management instruments.

(d) Credit risk exposures

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount, net of any provision for doubtful debts, 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 obligation under the contract or arrangement. Credit risk on off-statement financial position derivative contracts is minimised because counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency. The consolidated entity's maximum credit risk exposure in relation to these is as follows:

- (i) Forward exchange contracts - the full amount of the foreign currency it will be required to pay when settling the forward exchange contract, should the counterparty not pay the currency it is committed to deliver to the consolidated entity. These amounts have been outlined above in note 29(b).
- (ii) Interest rate swap and forward rate agreements - is limited to the net amounts to be received on contracts that are favourable to the consolidated entity, being nil.

Concentration of credit risk

The consolidated entity minimises concentrations of credit risk in relation to accounts receivable by undertaking transactions with a large number of customers within each industry. The majority of customers are concentrated in Australia. The consolidated entity is not materially exposed to any individual overseas country or individual customer.

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

29 FINANCIAL INSTRUMENTS (continued)

(e) Net fair values of financial assets and liabilities

Net fair values of financial assets and liabilities are determined by the consolidated entity as follows:

On-balance sheet financial instruments

Cash - the carrying amount approximates fair value.

Employee share plan loans (provided on an interest free basis) - the fair values are estimates applying a discounted cash flow analysis on the expected inflows from the repayment of loans by way of dividends received from the company. Dividends are assumed to continue at the same level as paid and declared in the financial year ended 30 June 2002. The discount rate for the year ended 30 June 2002 was 7% (2001: 7%), based on a 1.0% margin over the 10 year long term bond rate.

Trade debtors - the carrying amount approximates fair value.

Other receivables - the carrying amount approximates fair value.

Listed investments - the fair values are based on the final share prices quoted on the Australian Stock Exchange at balance date.

Accounts payable - the carrying amount approximates fair value.

Borrowings - the carrying amount approximates fair value because the repayment periods are generally short term in nature (less than three months) with the split between current and non-current based on the term of the facility under which the borrowing is held.

Financial position of financial instruments

The valuation of financial instruments detailed below reflects the estimated amounts which the consolidated entity expects to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates at balance date. This is based on independent market quotations and determined using standard valuation techniques.

The carrying amounts and net fair values of financial assets and liabilities where the carrying value does not approximate the fair value are as follows:

	2002		2001	
	Carrying amount \$000	Net fair value \$000	Carrying amount \$000	Net fair value \$000
Assets				
Employee share plan loans	242,259	155,318	151,212	104,273
Listed shares	26,550	30,300	23,575	22,666
Liabilities				
Interest rate swaps	-	9,665	-	3,256
Forward exchange contracts	-	24,504	-	94,758

Employee share plan loans are carried above their net fair value because the directors intend to hold the loans until they have been repaid in full from dividends paid by the company or from the proceeds of sale of shares by the employee. These loans are secured by the relevant shares issued under the plan.

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

30 SUPERANNUATION AND OWNERSHIP REMUNERATION SCHEME

(a) Superannuation

During the year the Wesfarmers Staff Retirement Fund changed its name to the Wesfarmers Superannuation Fund. All defined benefits members of the Fund transferred their benefits to the accumulation lump sum benefits category of the Fund on 1 July 2002.

(b) Employee share plan

The Wesfarmers Limited Employee Investment Plan (the "Plan") was approved by shareholders in April 1985. Under the Plan all permanent employees who have been continuously employed by Wesfarmers Limited or its subsidiaries for a minimum period of one year and who are 18 years or older are invited to apply for fully paid ordinary shares in the company (December 2001: 15,465 eligible employees were invited to apply for shares). All eligible employees receive a general invitation to apply for a specified number of shares (December 2001: 300 shares). Senior executives may receive invitations to apply for additional shares as and when they reach certain remuneration levels and periods of service within the consolidated entity.

Shares can be allotted under the Plan at a price being not less than 90 per cent of the weighted average market price of Wesfarmers Limited fully paid shares during the one week period up to and including the day of allotment. In December 2001 the shares were allotted at the full weighted average price of Wesfarmers Limited shares posted on the Australian Stock Exchange one week up to and including the day of allotment.

Employees are provided with loans to purchase the shares and the total number of shares for which there are outstanding loans under the Plan cannot exceed 10 per cent of the issued capital of the company from time to time. The number of shares issued to current employees who have a loan outstanding is 3.8 per cent of the issued capital of the company.

During the financial year 5,107,737 ordinary fully paid shares were issued to employees under the Plan, the total market value of those shares at the issue date (13 December 2001) was \$155,019,818 and the total amount received and/or receivable from employees for those shares was \$155,019,818.

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000

31 REMUNERATION OF DIRECTORS AND EXECUTIVES

(a) Directors' remuneration (including executive directors)

Income paid or payable or otherwise made available to all directors of each entity in the consolidated entity from the company or any related party

30,392 18,378

Income paid or payable or otherwise made available to all directors of the company or any related party

10,945 4,923

	WESFARMERS LIMITED	
	2002 No.	2001 No.
Directors of Wesfarmers Limited whose remuneration was within:		
\$ 50,000 - \$ 59,999	3	7
\$ 60,000 - \$ 69,999	-	2
\$ 70,000 - \$ 79,999	1	-
\$ 80,000 - \$ 89,999	6	-
\$ 90,000 - \$ 99,999	1	1
\$ 220,000 - \$ 229,999	-	1
\$ 240,000 - \$ 249,999	1	-
\$ 970,000 - \$ 979,999	1	-
\$1,030,000 - \$1,039,999	-	1
\$1,110,000 - \$1,119,999	1	-
\$3,040,000 - \$3,049,999	-	1
\$7,930,000 - \$7,939,999	1	-

The remuneration of executive directors includes amounts both paid and unpaid by the consolidated entity. It includes salaries, incentive payments, allowances and other benefits actually paid by the consolidated entity.

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
31 REMUNERATION OF DIRECTORS AND EXECUTIVES (continued)				
(b) Executive remuneration				
Amounts received or due and receivable by executives of Wesfarmers Limited from the company and entities in the consolidated entity and related entities whose remuneration is \$100,000 or more	35,568	22,158	18,800	9,388

	CONSOLIDATED		WESFARMERS LIMITED	
	2002 No.	2001 No.	2002 No.	2001 No.
Executives of Wesfarmers Limited and entities in the consolidated entity whose remuneration was within:				
\$ 100,000 - \$ 109,999	-	1	-	-
\$ 120,000 - \$ 129,999	2	-	-	-
\$ 140,000 - \$ 149,999	-	1	-	-
\$ 170,000 - \$ 179,999	-	1	-	-
\$ 180,000 - \$ 189,999	1	3	-	2
\$ 190,000 - \$ 199,999	5	2	1	-
\$ 200,000 - \$ 209,999	3	3	-	1
\$ 210,000 - \$ 219,999	6	3	2	-
\$ 220,000 - \$ 229,999	4	4	1	1
\$ 230,000 - \$ 239,999	4	2	-	-
\$ 240,000 - \$ 249,999	4	3	1	-
\$ 250,000 - \$ 259,999	2	1	-	1
\$ 260,000 - \$ 269,999	5	2	1	-
\$ 270,000 - \$ 279,999	6	2	-	1
\$ 280,000 - \$ 289,999	1	4	1	-
\$ 290,000 - \$ 299,999	1	3	-	1
\$ 300,000 - \$ 309,999	-	2	-	1
\$ 310,000 - \$ 319,999	2	-	2	-
\$ 320,000 - \$ 329,999	2	2	-	-
\$ 330,000 - \$ 339,999	1	-	-	-
\$ 340,000 - \$ 349,999	1	-	-	-
\$ 350,000 - \$ 359,999	2	-	2	-
\$ 360,000 - \$ 369,999	1	-	-	-
\$ 380,000 - \$ 389,999	1	-	1	-
\$ 400,000 - \$ 409,999	1	2	-	-
\$ 410,000 - \$ 419,999	1	-	-	-
\$ 430,000 - \$ 439,999	1	-	-	-
\$ 440,000 - \$ 449,999	1	-	-	-
\$ 500,000 - \$ 509,999	1	1	1	1
\$ 570,000 - \$ 579,999	-	1	-	1
\$ 640,000 - \$ 649,999	-	1	-	-
\$ 700,000 - \$ 709,999	-	1	-	1
\$ 740,000 - \$ 749,999	1	-	1	-
\$ 770,000 - \$ 779,999	1	-	-	-
\$ 780,000 - \$ 789,999	-	1	-	1
\$ 790,000 - \$ 799,999	1	-	1	-
\$ 800,000 - \$ 809,999	-	1	-	1
\$ 890,000 - \$ 899,999	1	-	1	-
\$ 960,000 - \$ 969,999	1	-	1	-
\$ 970,000 - \$ 979,999	1	-	1	-
\$1,030,000 - \$1,039,999	-	1	-	1
\$1,110,000 - \$1,119,999	1	-	1	-
\$1,500,000 - \$1,509,999	1	-	1	-
\$1,680,000 - \$1,689,999	-	1	-	-
\$1,690,000 - \$1,699,999	1	-	-	-
\$2,200,000 - \$ 2,209,999	-	1	-	-
\$2,270,000 - \$2,279,999	1	-	-	-
\$3,040,000 - \$3,049,999	-	1	-	1
\$7,930,000 - \$7,939,999	1	-	1	-

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

31 REMUNERATION OF DIRECTORS AND EXECUTIVES (continued)

The remuneration of executive directors includes amounts both paid and unpaid by the consolidated entity. It includes salaries, incentive payments, allowances and other benefits actually paid by the consolidated entity.

Senior executives' remuneration, and in particular that of the managing director, is substantially influenced by incentive plans that reward executives for long term profitable growth of the consolidated entity.

For the purposes of Accounting Standards AASB 1034 the company has interpreted executive officers as being the managing director, subsidiary company executive directors and general managers in the consolidated entity.

32 PARTICULARS RELATING TO CONTROLLED ENTITIES

	BENEFICIAL INTEREST			BENEFICIAL INTEREST	
	2002 %	2001 %		2002 %	2001 %
Parent entity: Wesfarmers Limited					
Controlled entities:					
A.C.N. 003 165 464 Pty Ltd (formerly Seed Grain Biotechnology Australia Pty Ltd)	100	100	Curragh Queensland Mining Pty Ltd	100	100
A.C.N. 003 921 873 Pty Limited	100	-	Dairy Rural Pty Ltd	100	100
Alsafe Safety Industries Pty Limited+	100	-	Dairy Properties Co-operative Limited	100	100
Artfern Pty Ltd	-	100	Danlan Pty Limited+	100	-
Aussigold Produce Pty Ltd	100	100	Donald Nominees Pty Ltd	100	100
Australian Gold Reagents Pty Ltd	75	75	Eastfarmers Pty Ltd +	100	100
Australian Seed Inoculants Pty Ltd (formerly SGB Australia Pty Ltd)	100	100	Farmland Pty Ltd	100	100
BBC Hardware Limited+	100	-	FIF Investments Pty Limited	100	100
BBC Hardware (NZ) Ltd#	100	-	FPT (Australia) Pty Limited	100	-
BBC Hardware Properties (NSW) Pty Ltd	100	-	Franklin Smith IAMA Pty Ltd	100	100
BBC Hardware Properties (VIC) Pty Ltd	100	-	Frank Sauer and Sons Pty Ltd	100	100
BBC Hardware Purchasing Pty Limited	100	-	Glencoe Distributors Pty Ltd	100	100
Barnett Bros Pty Limited +	100	100	Goldref Pty Ltd	100	100
Barrobook Pty Limited	100	100	GPML Pty Ltd	100	100
Bayridge Holdings Pty Ltd	100	100	Gresham Private Equity Fund	-	51
Benchmark Building Supplies Ltd#	100	-	Haarsma's IAMA Pty Ltd	100	100
Berrwillock Nominees Pty Ltd	100	100	Hardwarehouse Limited#	100	-
Big N Distributors Pty Ltd	100	100	Howard Smith Group Superannuation Association Pty Limited	100	-
Bunnings (Northern Territory) Pty Ltd +	100	100	Howard Smith Limited+	100	-
Bunnings Building Supplies Pty Ltd +	100	100	Howard Smith Nominees Pty Ltd	100	-
Bunnings Chip Mill Pty Ltd +	100	100	IAMA Agribusiness Pty Ltd +	100	100
Bunnings Management Services Pty Ltd +	100	100	IAMA Insurance Brokers Holdings Pty Limited	100	80
Bunnings Manufacturing Pty Ltd +	100	100	IAMA Insurance Brokers Pty Ltd	100	80
Bunnings Properties Pty Ltd +	100	100	IAMA Iritech Pty Ltd	60	60
Bunnings Property Management Limited	100	100	IAMA (QLD) Pty Ltd	100	100
Bunnings Pulp Mill Pty Ltd +	100	100	IAMA (SA) Pty Ltd	100	100
Bunnings Superannuation Plan Pty Ltd	100	100	IAMA Superannuation Fund Pty Ltd	100	100
Bunnings Timbcraft Pty Ltd +	100	100	IAMA Trading (NZ) Ltd # (liquidated)	-	100
Bushridge Pty Ltd	100	100	Ibert Pty Limited+	100	-
CS Holdings Pty Limited +	100	100	Interfix Gold Coast Pty Ltd +	100	100
CSBP Ammonia Terminal Pty Ltd	100	100	Interline Pty Ltd +	100	100
Campbells Hardware & Timber Pty Limited	100	-	ISP Nominees Pty Ltd	100	100
Cardinal Contractors Pty Ltd +	100	100	J Blackwood & Son Ltd+	100	-
Carr Bros IAMA Pty Ltd	100	100	J Blackwood & Son (NZ) Limited#	100	-
Chemical Holdings Kwinana Pty Ltd +	100	100	J Blackwood & Son Steel & Metals Pty Ltd+	100	-
Chemstock Animal Health Ltd # (liquidated)	-	100	Jen-ell Agrispray Pty Ltd	100	100
Co-operative Wholesale Services Ltd	100	100	Johnstone River Transport Pty Ltd +	100	100
Cootamundra Farm Centre Pty Ltd	100	100	J O'Malley & Co Pty Ltd	100	100
Credit Management Pty Ltd +	100	100	Kelly & Co Rural Centre Pty Limited	67	67
Cuming Smith and Company Limited +	100	100	Kleenheat Autogas Pty Ltd	100	100
Curragh Coal Sales Co Pty Ltd	100	100	Kleenheat Gas House Franchising Pty Ltd	100	100

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

32 PARTICULARS RELATING TO CONTROLLED ENTITIES (continued)

	BENEFICIAL INTEREST			BENEFICIAL INTEREST	
	2002 %	2001 %		2002 %	2001 %
Kwinana Nitrogen Company Proprietary Limited+	100	100	Wesfarmers Fertilizers Pty Ltd +	100	100
Langes Agribusiness Pty Ltd	100	100	Wesfarmers Gas Limited +	100	100
Latot Pty Ltd	-	100	Wesfarmers Holdings Pty Ltd	100	100
Laxstone Pty Ltd	100	100	Wesfarmers Industrial &		
Lenmost Pty Limited	100	100	Safety Holdings NZ Limited#	100	-
Loggia Pty Ltd +	100	100	Wesfarmers Industrial & Safety NZ Limited#	100	-
Macquarie Valley Distributors Pty Limited	100	100	Wesfarmers Insurance Investments Pty Ltd	100	100
Mallee Chemicals Pty Ltd	100	100	Wesfarmers Investments Pty Ltd	100	100
Millars (WA) Pty Ltd +	100	100	Wesfarmers Kleenheat Elpiji Limited (formerly		
Morris, Black & Matheson (1994) Limited#	100	-	Elpiji Malaysia – Bangladesh Limited)<	55	55
Motion Industries Limited	100	-	Wesfarmers Kleenheat Gas Pty Ltd +	100	100
NEGF Power Management Pty Ltd	76	-	Wesfarmers Kleenheat Gas (Asia) Limited #	100	100
NEGF Power Sales Pty Ltd	76	-	Wesfarmers Landmark Limited (formerly		
North Central Nominees Pty Ltd	100	100	Wesfarmers Dalgety Limited)+	100	100
O'Malley Distribution Group Pty Limited	100	100	Wesfarmers Landmark (QLD) Limited (formerly		
Pailou Pty Ltd +	100	100	Dalgety Limited)	100	100
Pathia Pty Ltd	100	100	Wesfarmers Landmark Realty (QLD) Pty Ltd		
Patrick Operations Pty Ltd	100	-	(formerly Dalgety Real Estate QLD Pty Ltd)	100	100
Peppertree Fashions Limited#	100	-	Wesfarmers Landmark Realty (WA) Pty Ltd (formerly		
Petersen Brothers Pty Ltd	100	-	Wesfarmers Dalgety Real Estate WA Pty Ltd)	100	100
Powertrain Pty Limited	100	-	Wesfarmers Landmark Risk Management Pty Ltd		
Pratco Industries Pty Ltd	-	100	(formerly Wesfarmers Dalgety Risk		
Rangal Holdings Pty Ltd	100	100	Management Pty Ltd)	100	100
R&N Palmer Pty Ltd +	100	100	Wesfarmers Landmark Tenderland Pty Ltd		
Riverland IAMA Pty Ltd (formerly RFC IAMA			(formerly Wesfarmers Dalgety Tenderland Pty Ltd)	100	100
Pty Ltd)	100	50	Wesfarmers Landmark Wool Pty Ltd		
R.V.L. Distribution Pty Ltd	100	100	(formerly Wesfarmers Dalgety Wool Pty Ltd)	100	100
SBS IAMA Real Estate Pty Ltd	100	100	Wesfarmers LNG Pty Ltd	100	100
SBS Rural IAMA Pty Limited	100	100	Wesfarmers LPG Pty Ltd+	100	100
Seed & Grain Sales Pty Limited	100	100	Wesfarmers Premier Coal Limited +	100	100
Sellers (SA) Pty Ltd	100	-	Wesfarmers Private Equity Pty Ltd	100	100
Share Nominees Limited	100	100	Wesfarmers Provident Fund Pty Ltd +	100	100
Sotico Pty Ltd +	100	100	Wesfarmers Queensland Coal Pty Ltd (formerly		
StateWest.com.au Pty Ltd	76	-	Wesfarmers W2A Pty Ltd)	100	100
Statewest Power Pty Ltd	76	-	Wesfarmers Railroad Holdings Pty Ltd	100	100
Stores Realty Pty Ltd +	100	100	Wesfarmers Resources Pty Ltd +	100	100
The Builders Warehouse Group Pty Limited	100	-	Wesfarmers Retail Pty Ltd+	100	100
The Fibre Company Pty Ltd	100	100	Wesfarmers Risk Management Limited #	100	100
The Franked Income Fund	100	100	Wesfarmers Rural Holdings Limited (formerly		
The Packaging House Limited#	100	-	IAMA Limited)+	100	100
Thornton Hall Corporate Wardrobe Limited#	100	-	Wesfarmers Securities Management Pty Ltd	100	100
Thornton Hall Limited#	100	-	Wesfarmers Sugar Company Pty Ltd	100	100
Ucone Pty Ltd +	100	100	Wesfarmers Superannuation Pty Ltd +	100	100
Valley Investments Pty Ltd+	100	-	Wesfarmers Transport Indonesia Pty Ltd	100	100
Vivco Distribution Pty Ltd	100	100	Wesfarmers Transport International #	-	100
Vivco Rural Supplies Pty Ltd	100	100	Wesfarmers Transport Limited +	100	100
WA Salvage Pty Ltd +	100	100	Weskem Pty Ltd +	100	100
Wesfarmers Agribusiness Limited +	100	100	West Africa Power Company Pty Ltd	76	-
Wesfarmers Bangladesh Gas Pty Ltd	100	100	Westralian Farmers Co-operative Limited	100	100
Wesfarmers Bengalla Limited	100	100	Westralian Farmers Superphosphates Limited +	100	100
Wesfarmers Bunnings Limited +	100	100	WFCL Investments Pty Ltd	100	100
Wesfarmers CSBP Limited +	100	100	Wimmel Distributors Pty Ltd	100	100
Wesfarmers Coal (Indonesia) Pty Ltd +	100	100	WTL Asia Pty Ltd	100	100
Wesfarmers Coal Superannuation Pty Ltd +	100	100	Wyper Brothers Pty Limited	100	-
Wesfarmers Curragh Pty Ltd +	100	100	XCC (Retail) Pty Ltd +	100	100
Wesfarmers Energy Limited +	100	100			
Wesfarmers Federation Insurance Limited	100	100			

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

32 PARTICULARS RELATING TO CONTROLLED ENTITIES (continued)

Audited by firms of Ernst & Young International.

< Audited by other firms of accountants.

With the exception of Wesfarmers Kleenheat Gas (Asia) Limited which is incorporated in Hong Kong; Wesfarmers Risk Management Limited incorporated in Bermuda; Wesfarmers Kleenheat Elpiji Limited incorporated in Bangladesh; Benchmark Building Supplies Ltd, BBC Hardware (NZ) Ltd, Hardware House Limited, Chemstock Animal Health Ltd, IAMA Trading (NZ) Proprietary Ltd, J Blackwood and Son (NZ) Limited, Morris Black & Matheson (1994) Limited, Peppertree Fashions Limited, The Packaging House Limited, Thornton Hall Corporate Wardrobe Limited, Thornton Hall Limited, Wesfarmers Industrial and Safety Holdings NZ Limited, Wesfarmers Industrial & Safety NZ Limited, incorporated in New Zealand and Wesfarmers Transport International incorporated in Mauritius, all other companies in the consolidated entity are incorporated in Australia.

+ An approved deed of cross guarantee in accordance with the ASIC Class Orders made on 19 December 1991 has been entered into by Wesfarmers Limited and these entities. As a result separate audit opinions have not been issued for these entities.

For entities within the consolidated entity which have entered into deeds of cross guarantee, the consolidated statement of financial performance and statement of financial position are as follows:

	2002 \$000	2001 \$000
Consolidated statement of financial performance		
Profit from ordinary items before income tax	485,372	368,649
Income tax expense relating to ordinary items	162,223	95,626
Net profit	323,149	273,023
Retained profits at the beginning of the financial year	219,561	192,480
Aggregate of amounts transferred from (to) reserves	128	(551)
Total available for appropriation	542,838	464,952
Dividends provided for or paid	459,966	245,391
Retained profits at the end of the financial year	82,872	219,561
Consolidated statement of financial position		
Current assets		
Cash assets	111,104	75,838
Receivables	915,301	855,053
Inventories	1,241,543	690,222
Total current assets	2,267,948	1,621,113
Non-current assets		
Receivables	470,970	217,686
Other financial assets	3,013,797	2,652,546
Property, plant and equipment	1,474,283	1,241,245
Deferred tax assets	91,761	48,633
Intangible assets	1,554,990	295,458
Other	22,000	2,350
Total non-current assets	6,627,801	4,457,918
Total assets	8,895,749	6,079,031

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

32 PARTICULARS RELATING TO CONTROLLED ENTITIES (continued)

	2002 \$000	2001 \$000
Current liabilities		
Interest bearing liabilities	636,427	357,384
Payables	3,663,637	3,100,531
Current tax liabilities	45,826	33,994
Provisions	379,034	200,123
Other	30	44
Total current liabilities	4,724,954	3,692,076
Non-current liabilities		
Interest bearing liabilities	692,891	672,365
Payables	2,150	2,699
Deferred tax liabilities	65,813	59,519
Provisions	127,055	86,604
Total non-current liabilities	887,909	821,187
Total liabilities	5,612,863	4,513,263
Net assets	3,282,886	1,565,768
Shareholders' equity		
Contributed equity	3,027,008	1,234,171
Reserves	173,006	112,036
Retained profits	82,872	219,561
Total shareholders' equity	3,282,886	1,565,768

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

33 PARTICULARS RELATING TO ASSOCIATED ENTITIES

ASSOCIATED ENTITY	PRINCIPAL ACTIVITY	BENEFICIAL INTEREST		BOOK VALUE OF INVESTMENT		CONTRIBUTION TO CONSOLIDATED PROFIT	
		2002 %	2001 %	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Air Liquide WA Pty Ltd	Industrial gases	40	40	1,381	1,381	1,982	1,769
Albany Wool Stores Pty Ltd	Wool handling	35	35	185	185	-	(3)
Arcadian Wool Brokers Limited	Wool handling	41	41	3,001	3,001	577	388
Artferm Pty Ltd	Agricultural chemical distribution	50	-	4,000	-	366	-
Auctionsplus Pty Ltd	Livestock service	-	37	-	-	-	-
Australian Railroad Group Pty Ltd	Rail freight	50	50	117,600	117,600	12,340	9,311
Bengalla Agricultural Company Pty Limited	Dairy	40	40	1	1	48	(93)
Bunnings Warehouse Property Trust	Property	25	31	50,935	49,266	5,271	5,129
Gresham Partners Group Limited	Merchant banking	50	50	4,255	4,255	6,956	3,093
Gresham Private Equity Fund	Private equity fund	50	-	47,131	-	4,752	-
Presoval Pty Ltd	Rural merchandising	50	-	1,485	-	445	-
Queensland Nitrates Management Pty Ltd	Chemical manufacture	50	50	-	-	-	-
Queensland Nitrates Pty Ltd	Chemical manufacture	50	50	10,000	10,000	(645)	(2,170)
Sydney Woolbrokers Limited	Wool handling	-	48	-	-	-	-
The Farmshed Merchandising Pty Limited	Rural merchandising	-	39	-	1,024	-	(326)
The Farmshed Ventures Pty Ltd	Online rural venture financing	25	23	6,923	4,624	(4,039)	(1,509)
Unigas	LP gas distribution	50	-	14,405	-	1,488	-
Wesfarmers Underwriting Agencies Pty Ltd	Underwriting	-	50	-	-	-	-
Wespine Industries Pty Ltd	Pine sawmillers	50	50	7,030	7,030	4,906	2,660
Wooldumpers Australia Pty Ltd	Wool handling	50	50	8,692	8,692	1,215	2,804
				277,024	207,059	35,662	21,053

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

33 PARTICULARS RELATING TO ASSOCIATED ENTITIES (continued)

	CONSOLIDATED	
	2002 \$000	2001 \$000
Additional disclosure		
(a) Share of associates' profits:		
Profit before income tax expense	46,935	30,603
Income tax expense	11,273	9,550
Net profit	35,662	21,053
(b) Carrying amount of investment in associates:		
Balance at the beginning of the financial year	229,097	90,519
Acquisition of associates during the financial year	78,801	125,638
Disposal of associates during the financial year	(8,836)	-
Write down of associated companies	(642)	(111)
Share of associates' reserves for the financial year	2,701	-
Share of associates' profits for the financial year	35,662	21,053
Dividends received from associates	(23,618)	(13,902)
Adjustment arising from simplification plan	-	5,900
Carrying amount of interest in associates	313,165	229,097
(c) Particulars of retained earnings attributable to associates:		
Retained earnings	14,104	12,942
(d) The consolidated entity's share of associated companies commitments and contingent liabilities are included in notes 26 and 27 where material.		

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

34 SEGMENT INFORMATION

The consolidated entity is comprised of the undermentioned business segments, operating predominantly in Australia. Segment revenue, expenses and results between segments are not considered material.

Hardware

- Retailing building materials and home and garden improvement products;
- Servicing project builders and the housing industry; and
- Bargain hardware and variety.

Energy

- Coal mining and development;
- Coal marketing to both domestic and export markets;
- National marketing and distribution of LP gas;
- LP gas extraction for domestic and export markets;
- Manufacture and marketing of industrial gases and equipment; and
- Electricity supply to mining operations and regional centres.

Rural services and insurance

- Supplier of rural merchandise and fertilisers to cotton, cropping, viticulture, horticulture and grazing industries;
- Provider of:
 - wool and livestock marketing services;
 - real estate and rural property sales;
 - seasonal finance, term loans and deposit facilities; and
 - rural, domestic and commercial insurance.

Fertilisers and chemicals

- Manufacture and marketing of chemicals for industry, mining and mineral processing;
- Manufacture and marketing of broadacre and horticultural fertilisers; and
- Soil and plant testing and agronomy advisory services.

Industrial and safety

- Supplier and distributor of maintenance, repair and operating (MRO) products; and
- Specialist supplier and distributor of industrial safety products and services.

Other

Rail Transport

- 50 per cent ownership in Australian Railroad Group Pty Ltd which:
 - has an interest in the South Australian and Western Australian rail freight businesses;
 - provides rail services for bulk commodities and associated rail logistics operations; and
 - owns track infrastructure under a 49 year lease.

Forest Products

- Manufacturer of products to service the wholesale timber market in Australia and internationally, industrial customers and furniture/cabinet/joinery manufacturers; and
- Forestry and timber operations

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

34 SEGMENT REPORTING DETAILS (continued)

	HARDWARE		ENERGY		INDUSTRIAL AND SAFETY DISTRIBUTION		RURAL SERVICES AND INSURANCE		FERTILISERS AND CHEMICALS		OTHER		CONSOLIDATED	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Operating revenue	3,066,261	1,383,947	963,536	978,132	1,055,353	-	1,645,813	1,272,054	463,923	438,058	198,261	325,048	7,393,147	4,397,239
Consolidation adjustment													(7,491)	(8,589)
Total operating revenue													7,385,656	4,388,650
(b) Earnings														
Earnings before interest paid, tax, goodwill amortisation, and corporate overheads	297,057	137,149	236,935	190,358	84,790	-	89,182	60,469	73,514	52,887	49,212	47,494	830,690	488,357
Goodwill amortisation	(46,535)	(6,392)	(429)	(232)	(23,046)	-	(9,068)	(3,479)	(262)	(263)	-	-	(79,340)	(10,366)
Earnings before interest paid, tax and corporate overheads	250,522	130,757	236,506	190,126	61,744	-	80,114	56,990	73,252	52,624	49,212	47,494	751,350	477,991
Consolidation adjustment													(7,369)	(8,441)
Interest paid and corporate overheads													(136,680)	(99,447)
Operating profit before income tax													607,301	370,103
Income tax expense													193,115	118,499
Net profit before outside shareholder's interest													414,186	251,604
Share of net profit or loss of associates included in earnings before interest paid, tax and corporate overheads	5,274	4,667	3,518	1,765	-	-	(1,436)	1,365	(647)	(1,798)	28,953	15,054	35,662	21,053
Depreciation and amortisation (excluding goodwill amortisation)	58,538	18,437	81,913	74,686	8,640	-	16,338	11,651	38,432	35,944	9,032	13,249	212,893	153,967
Non cash expenses other than depreciation	16,662	7,822	18,380	14,214	14,651	-	8,327	11,898	3,273	5,984	18,992	20,471	80,285	60,389

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

34 SEGMENT REPORTING DETAILS (continued)

	HARDWARE		ENERGY		INDUSTRIAL AND SAFETY DISTRIBUTION		RURAL SERVICES AND INSURANCE		FERTILISERS AND CHEMICALS		OTHER		CONSOLIDATED	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000
(c) Assets and liabilities														
Segment assets	2,421,180	747,202	1,080,577	1,042,299	966,685	-	978,963	1,077,297	511,790	539,049	712,131	688,657	6,671,326	4,094,504
Tax assets													110,711	57,716
Consolidation adjustment													(169,316)	(148,149)
Consolidated assets													6,612,721	4,004,071
Segment liabilities	348,429	119,679	252,008	263,610	158,261	-	538,763	521,813	59,262	50,940	73,733	66,270	1,430,456	1,022,312
Tax liabilities													139,659	145,086
Provision for dividend													143,332	84,524
Interest bearing liabilities													1,489,197	1,134,341
Consolidated liabilities													3,202,644	2,386,263
Investments accounted for using the equity method	53,601	49,470	19,499	3,417	-	-	17,427	14,173	6,812	7,457	215,826	154,580	313,165	229,097
Acquisition of non-current assets	1,246,731	59,512	77,571	133,843	594,517	-	26,345	210,467	23,865	23,603	8,807	10,155	1,977,836	437,580

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED	
	2002	2001
35 EARNINGS PER SHARE		
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	356,831,323	271,731,323

36 INTERESTS IN JOINT VENTURE OPERATIONS

	CONSOLIDATED	
	2002 \$000	2001 \$000
Assets employed in joint venture operations:		
Current assets		
Cash	4,060	1,251
Receivables	8,645	866
Inventories	14,896	6,999
	27,601	9,116
Non-current assets		
Other financial assets	-	17,250
Property, plant and equipment	217,448	200,675
	217,448	217,925
	245,049	227,041

JOINT VENTURE	PRINCIPAL ACTIVITY	INTEREST	
		2002 %	2001 %
40 The Esplanade, Perth	Investment property	-	50
Sodium Cyanide	Sodium cyanide manufacture	75	75
Bengalla joint venture	Coal mining	40	40
Wesfarmers Marubeni joint venture	Sugar development	-	80

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

37 RELATED PARTIES DISCLOSURES

1 The directors of Wesfarmers Limited during the year were:

D J Asimus	E Fraunschiel	R D Lester	C H Perkins
M A Chaney	L A Giglia	C Macek (appointed 2/10/01)	G T Tilbrook (appointed 2/4/02)
T R Eastwood	J P Graham	D E W Nuttall (resigned 5/11/01)	D C White
T J Flügge	K P Hogan (resigned 5/11/01)	J M Paterson (resigned 5/11/01)	

2 The following related party transactions occurred during the year:

- (a) Transactions with related parties
- (i) Sales and services to and purchases from associated and partly owned entities and director related entities by the consolidated entity are made under normal commercial terms and conditions and are not material.
- (ii) Sales and services to and purchases from wholly owned entities by Wesfarmers Limited are under normal commercial terms and conditions and are not material.
- (b) Transactions with directors of Wesfarmers Limited and controlled entities:

	CONSOLIDATED	
	2002 \$000	2001 \$000
(i) Loans to directors		
Wesfarmers Limited employee share plan		
Aggregate of advances outstanding at 30 June	18,671	14,224
Aggregate of advances made during the year	7,179	1,720
The names of directors of Wesfarmers Limited and controlled entities who received advances:		
R J Adams	B J H Denison	F G D Landels
D E Allan	J H Doyle	J S Maher
M C Allison	C I Duncan	D J McMahon
D J Beisley	M G Evans	C R Menzies
J R Beveridge	J J Fane De Salis	K J O'Connell
K L Blaikie	G A Findlay	T J P O'Leary
J Boros	W L Fischer	L S Pangiarella
T J Bowen	C J French	A Perkins
R Brenchley	G W Gernhoefer	S Price
R J Buckley	J C Gillam	W H Pruys
T J Bult	D K Goldsmith	P H Reichstein
J R Burke	K D Gordon	M W Ridley
S A Butel	R J B Goyder	D A Robb
R A Carey	K T Graham	D C Rogers
A Coles	I Hansen	M P Taylor
M Connell	E P Harnett	I P Thomson
A Crane	G P Ireson	G T Tilbrook
J Cranston	P J Jolob	M J Wedgwood
J C Davis	B J Kelly	P Wickham
D Deiley	L J Kenyon	J H Wilson
M Denby	T J R Kuzman	
Aggregate of repayments made during the year	2,102	2,341

Notes to and forming part of the accounts

for the year ended 30 June 2002 - Wesfarmers Limited and its controlled entities

37 RELATED PARTIES DISCLOSURES (continued)

The names of directors of Wesfarmers Limited and controlled entities who made repayments:

R J Adams	B J H Denison	F G D Landels
D E Allan	J H Doyle	D J McMahon
M C Allison	C I Duncan	J S Maher
D J Beisley	M G Evans	C R Menzies
J R Beveridge	J J Fane De Salis	K J O'Connell
K L Blaikie	G A Findlay	T J P O'Leary
J Boros	W L Fischer	L S Pangiarella
T J Bowen	E Fraunschiel	A Perkins
R Brenchley	C J French	S Price
R J Buckley	G W Gernhoefer	W H Pruys
T J Bult	J C Gillam	P H Reichstein
J R Burke	D K Goldsmith	M W Ridley
S A Butel	K D Gordon	D A Robb
R A Carey	R J B Goyder	D C Rogers
M A Chaney	K T Graham	M P Taylor
A Coles	I Hansen	I P Thomson
M Connell	E P Harnett	G T Tilbrook
P A Crane	G P Ireson	M J Wedgwood
B J Cranston	P J Jolob	P Wickham
P J C Davis	B J Kelly	J H Wilson
D Deiley	L J Kenyon	
R M Denby	T J R Kuzman	

Terms and conditions:

The terms and conditions of advances and repayments are set out in the Wesfarmers Employee Share Plan Prospectus, a copy of which was lodged with the Australian Securities and Investments Commission on 14 November 2001 (2001: 30 November 2000).

- (ii) Interest in the shares and options of entities within the consolidated entity held by directors of the reporting entity and their related entities as at 30 June 2002:

	2002 No.	2001 No.
Aggregate number of shares acquired under the dividend investment plan	24,988	18,190
Aggregate number of shares acquired under the Wesfarmers Employee Share Plan	2,247	3,008
Aggregate number of shares acquired under simplification plan	-	3,156,096
Aggregate number of shares held	3,968,714	4,928,130

- (iii) Fees charged during the year for services provided by Gresham Partners Group Limited group of companies to the consolidated entity totalled \$6.4 million (2001: \$2.7 million)

During the previous year Gresham Partners Group Limited received a financial benefit from the sale of its subsidiary company Gresham Partners Management Limited, to the consolidated entity for \$20 million as part of the simplification plan. Mr J P Graham, a director of Wesfarmers Limited has a beneficial interest in Gresham Partners Group Limited.

- (iv) The total rental paid by the consolidated entity to an associated entity, the Bunnings Warehouse Property Trust, for rental of properties was \$28.9 million (2001: \$23.1 million). The total net profit before tax on sale of properties sold to the Bunnings Warehouse Property Trust brought to account by the consolidated entity was \$1.4 million (2001: \$1.0 million).

Directors' report

Wesfarmers Limited and its controlled entities

The information appearing on pages 1 to 32 forms part of the directors' report for the year ended 30 June 2002 and is to be read in conjunction with the following information:

RESULTS AND DIVIDENDS

Operating profit

	2002 \$000	2001 \$000
Profit from ordinary activities after income tax expense	414,186	251,604
Less net profit attributable to outside equity interests	263	598
Net profit attributable to members of the parent entity	413,923	251,006

Dividends

The following dividends have been paid by the company or declared by the directors since the commencement of the financial year ended 30 June 2002:

(a) out of the profits for the year ended 30 June 2001 on the fully-paid ordinary shares:		
(i) fully franked final dividend of 60 cents per share paid on 25 October 2001 as disclosed in last years directors' report	169,048	
(ii) additional final dividend on shares issued to acquire Howard Smith Limited	47,424	
(b) out of the profits for the year ended 30 June 2002 on the fully-paid ordinary shares:		
(i) fully franked interim dividend of 34 cents per share paid on 28 March 2002	125,878	
(ii) fully franked final dividend of 77 cents per share declared by the directors for payment on 26 September 2002	286,664	

Principal activities

The principal activities during the year of entities within the consolidated entity were:

- retailing of home and garden improvement products and building materials;
- coal mining and production;
- gas processing and distribution;
- industrial and safety products distribution;
- rural merchandise and services;
- fertilisers and chemicals manufacture;
- insurance;
- forest products; and
- investment in rail transport.

There have been no significant changes in the nature of those activities during the year.

Directors' report

Wesfarmers Limited and its controlled entities

DIRECTORS

Information on directors

The names and details of the directors of the company in office as at the date of this report appear on pages 26 and 27. The names of directors of the company who retired during the year appear in note 37 on page 69.

Directors' shareholdings

Securities in the company or in a related body corporate in which directors have a relevant interest as at the date of this report were:

	BUNNINGS WAREHOUSE PROPERTY TRUST UNITS	WESFARMERS LIMITED ORDINARY SHARES
D J Asimus	47,872	2,823
M A Chaney	23,000	402,889
T R Eastwood	-	878,694
T J Flügge	-	4,417
L A Giglia	5,699	9,265
R J B Goyder	-	89,465
J P Graham	9,334	1,574,716
R D Lester	-	42,466
C Macek	-	3,000
C H Perkins	70,236	156,365
G T Tilbrook	22,779	192,813
D C White	3,838	9,243

Directors' benefits

During or since the end of the financial year no director of the company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the consolidated accounts, by reason of a contract entered into by the company or an entity that the company controlled or a body corporate that was related to the company when the contract was made or when the director received, or became entitled to receive, the benefit with:

- a director, or
- a firm of which a director is a member, or
- an entity in which a director has a substantial financial interest,

except payments made to Gresham Partners Limited, of which Mr J P Graham is a director, for professional services provided in the ordinary course of business on normal commercial terms.

Insurance of directors and officers

During or since the end of the financial year, the company has paid premiums in respect of a contract insuring all the directors of Wesfarmers Limited against costs incurred in defending proceedings for conduct other than that involving:

- (a) a wilful breach of duty; or
- (b) a contravention of sections 182 and 183 of the Corporations Act 2001

as permitted by section 199B of the Corporations Act 2001.

Directors' report

Wesfarmers Limited and its controlled entities

Directors' and other officers' emoluments

Non-executive directors' fees are determined by the board of directors within the aggregate amount approved by shareholders currently standing at \$1,500,000. In determining fees, each year the board seeks appropriate external advice.

The compensation committee of the Wesfarmers Limited board of directors is responsible for the determination of remuneration policies for Wesfarmers as a whole, including those affecting the Managing Director and senior managers who report to the Managing Director. In determining policies and practices that are market competitive and will attract, motivate and retain high quality people, the committee regularly seeks appropriate external advice.

The senior managers of the consolidated entity receive their emoluments by way of cash and benefits such as motor vehicles. Salary packages are designed so that the manner of payment will be optimal for the recipient without adding to the overall cost to the company.

The compensation committee links the nature and amount of officers' emoluments to the company's financial and operational performance. All senior managers participate in a plan which provides cash incentives where specified criteria are met including: annual profit and return on capital targets; and – where appropriate – safety targets for business operations under their control.

Details of the nature and amount of the emolument of each director of the company and each of the five executive officers of the company and the consolidated entity receiving the highest emolument for the financial year are as follows:

	BASE(1) \$000	ANNUAL EMOLUMENTS			TOTAL \$000
		SHORT-TERM INCENTIVES(2) \$000	VESTED PORTION OF LONG-TERM INCENTIVES(3) \$000	OTHER(4) \$000	
Non-executive directors					
C H Perkins	163			81	244
D C White	93				93
L A Giglia	88				88
R D Lester	86				86
J P Graham	86				86
D J Asimus	84				84
T R Eastwood	82				82
T J Flügge	82				82
C Macek	72				72
Executive directors					
M A Chaney	1,040		6,716	182	7,938
E Fraunschiel	549	430		140	1,119
G T Tilbrook	412	486		74	972
Executive officers					
J Boros	513	158	1,492	110	2,273
P J C Davis	323	92	1,232	47	1,694
R J B Goyder	431	319		214	964
D A Robb	468	326		102	896
R M Denby	459	267		67	793

In August 2001 an executive officer of the company, Mr P W Knowles, retired and received remuneration of \$1.5 million during the financial year (inclusive of termination benefits)

- (1) Base salaries/fees (including superannuation).
- (2) Performance based short-term incentive payments.
- (3) Vested portion of performance based long-term incentive payments.
- (4) Other benefits (including motor vehicles and fringe benefits).

Directors' report

Wesfarmers Limited and its controlled entities

Directors' meetings

In addition to its regular meetings, the board acts through the audit and compliance committee, the nomination committee and the compensation committee.

The audit and compliance committee monitors the internal control and financial systems operating in the company and provides a direct link between the board and the company's internal and external auditors. The members of the committee at the date of this report are Messrs D C White (Chairman), T J Flügge, R D Lester and C Macek.

The composition and performance of the board - including criteria for the appointment and retirement of directors - is monitored by the nomination committee. The members of the committee at the date of this report are Messrs C H Perkins, D J Asimus, T R Eastwood and T J Flügge.

The compensation committee, which comprises all non-executive directors, meets as and when required to review the company's remuneration policies and practices, including those affecting the senior management of the company.

The following table sets out the number of meetings of the company's directors (including meetings of committees) held during the year ended 30 June 2002, and the number of meetings attended by each director:

	BOARD MEETINGS	AUDIT	COMMITTEE MEETINGS	
			NOMINATION	COMPENSATION
No. of meetings held:	11	6	4	3
No. of meetings attended by:				
C H Perkins (Chairman)	11		4	3
M A Chaney (Managing Director)	11			
D J Asimus	11		4	3
T R Eastwood	11		4	3
T J Flügge	11		4	3
E Fraunschiel	11			
L A Giglia	11	5		2
J P Graham	11			3
R D Lester	11	6		3
C Macek+	8	4		1
G T Tilbrook*	2			
D C White	10	6		3

+ Mr Macek joined the board on 2 October 2001

* Mr Tilbrook joined the board on 2 April 2002

REVIEW OF OPERATIONS

The operations of the consolidated entity during the financial year and the results of those operations are reviewed on pages 1 to 25 of this report and in the accompanying financial statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Particulars of the significant changes in the state of affairs of the consolidated entity during the financial year are as follows:

- revenues from ordinary activities up 68 per cent to \$7.4 billion see pages 1 and 7
- net profit for the period attributable to members up 65 per cent to \$414 million see pages 1, 5 and 7
- dividends per share paid or payable up 28 per cent see page 6
- total assets up 65 per cent to \$6.6 billion see page 1
- shareholders' equity up 113 per cent to \$3.4 billion see page 1
- net borrowings up 29 per cent to \$1.3 billion see page 1
- successful acquisition of Howard Smith Limited see pages 6 and 7

Directors' report

Wesfarmers Limited and its controlled entities

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the consolidated entity in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in and expected results of the operations of the consolidated entity in subsequent years are referred to elsewhere in this report, particularly on pages 7 to 25. In the opinion of the directors, further information on those matters could prejudice the interests of the company and the consolidated entity and has therefore not been included in this report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity holds a number of environmental licences issued by various authorities throughout Australia and New Zealand.

These licences regulate the management of air and water quality, the storage and carriage of hazardous materials, the disposal of wastes and other environmental matters associated with the consolidated entity's operations.

There have been no significant material known breaches of the consolidated entity's licence conditions.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Wesfarmers Limited support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained on pages 28 and 29 of this annual report.

CORPORATE INFORMATION

Wesfarmers Limited is a company limited by shares that is incorporated and domiciled in Australia. The registered office and principal business address of Wesfarmers Limited is 11th floor, Wesfarmers House, 40 The Esplanade, Perth, Western Australia.

ROUNDING

The amounts contained in this report and in the financial statements have been rounded off under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors of Wesfarmers Limited.



C H Perkins

Chairman

Sydney, 3 September 2002



M A Chaney

Managing Director

Directors' declaration

Wesfarmers Limited and its controlled entities

In accordance with a resolution of the directors of Wesfarmers Limited, we state that:

1. In the opinion of the directors:
 - (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2002 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
2. In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group comprising the company and the controlled entities marked "+" as identified in note 32 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the deed of cross guarantee disclosed in note 27.

On behalf of the board



C H Perkins

Chairman

Sydney, 3 September 2002



M A Chaney

Managing Director

Independent audit report

To the members of Wesfarmers Limited

Scope

We have audited the financial report of Wesfarmers Limited for the financial year ended 30 June 2002, as set out on pages 34 to 68, including the Directors' Declaration on page 71. The financial report includes the financial statements of Wesfarmers Limited, and the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

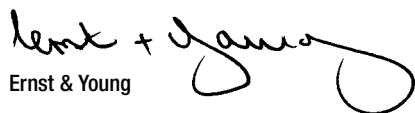
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

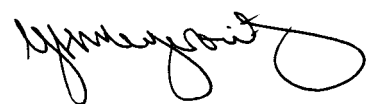
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Wesfarmers Limited is in accordance with:

- (a) the Corporations Act 2001 including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2002 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.


Ernst & Young



G H Meyerowitz

Partner

Perth

Date: 3 September 2002

Shareholder information

Wesfarmers Limited and its controlled entities

SUBSTANTIAL SHAREHOLDERS

Substantial shareholder details as at 3 September 2002 were:

HOLDERS OF RELEVANT INTEREST	NUMBER OF ORDINARY SHARES IN WHICH INTEREST HELD
Commonwealth Bank of Australia	[38,764,040]

VOTING RIGHTS

Ordinary fully-paid shares, carry voting rights of one vote per share.

DISTRIBUTION OF MEMBERS AND THEIR HOLDINGS

SIZE OF HOLDING	NUMBER OF ORDINARY SHAREHOLDERS
1 - 1,000	[56,502]
1,001 - 5,000	[27,244]
5,001 - 10,000	[4,230]
10,001 - 100,000	[2,751]
100,001 - and over	[174]
	[90,901]

There were [2,012] holders of less than a marketable parcel of ordinary shares.

Less than [two] per cent of shareholders have registered addresses outside Australia.

TWENTY LARGEST SHAREHOLDERS

The twenty largest holders of ordinary shares on the company's register as at 3 September 2002 were:

NAME	NUMBER OF SHARES	% OF ISSUED CAPITAL (*)
[J P Morgan Nominees Australia Limited]	[29,432,291]	[7.9]
[National Nominees Limited]	[18,200,624]	[4.9]
[Westpac Custodian Nominees Limited]	[14,928,349]	[4.0]
[Citicorp Nominees Pty Limited (CFS WSLE Imputation Fund A/C)]	[11,601,424]	[3.1]
[Commonwealth Custodial Services Limited]	[8,178,974]	[2.2]
[Citicorp Nominees Pty Limited]	[6,219,119]	[1.7]
[Citicorp Nominees Pty Limited (CFS Imputation Fund A/C)]	[6,134,510]	[1.6]
[Queensland Investment Corporation]	[5,895,701]	[1.6]
[AMP Life Limited]	[5,811,206]	[1.6]
[Citicorp Nominees Pty Limited (CFS WSLE Geared Share Fund A/C)]	[5,209,521]	[1.4]
[Australian Foundation Investment Company Limited]	[4,905,928]	[1.3]
[Citicorp Nominees Pty Limited (CFS WSLE Aust Share Fund A/C)]	[3,616,813]	[1.0]
[The National Mutual Life Association of Australasia Limited]	[3,283,056]	[0.9]
[ING Life Limited]	[3,267,347]	[0.9]
[RBC Global Services Australia Nominees Pty Limited]	[3,209,620]	[0.9]
[MLC Limited]	[2,748,741]	[0.7]
[Citicorp Nominees Pty Limited (CFS WSLE Industrial Share A/C)]	[2,608,386]	[0.7]
[HSBC Custody Nominees (Australia) Limited]	[2,549,438]	[0.7]
[NRMA Nominees Pty Limited]	[2,473,229]	[0.7]
[Citicorp Nominees Pty Limited (CFS WSLE Leaders Fund A/C)]	[2,271,598]	[0.6]

* The percentage holding of the twenty largest shareholders was [38.3] per cent.

Ten year financial history

Wesfarmers Limited and its controlled entities

(All figures in \$ millions unless shown otherwise)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Summarised statement of financial performance										
Sales revenue	7,193	4,243	3,358	2,818	2,727	2,601	2,435	2,427	2,282	1,704
Other operating revenue	193	146	122	301	96	109	78	86	118	39
Operating revenue	7,386	4,389	3,480	3,119	2,823	2,710	2,513	2,513	2,400	1,743
Operating profit before depreciation, net interest paid and income tax	976	588	445	389	380	343	269	297	296	208
Depreciation and amortisation (excluding goodwill)	213	154	118	113	102	102	93	86	73	66
Net interest paid	77	54	23	17	12	16	20	16	14	21
Income tax expense	193	118	89	72	92	78	54	64	51	35
	493	262	215	187	174	147	102	131	158	86
Outside equity interests	-	(1)	(1)	(1)	(1)	-	(1)	(1)	(17)	(10)
Operating profit after income tax before goodwill amortisation	493	261	214	186	173	147	101	130	141	76
Goodwill amortisation	(79)	(10)	(7)	(7)	(7)	(7)	(8)	(3)	(2)	(2)
Operating profit after income tax attributable to members of Wesfarmers Limited	414	251	207	179	166	140	93	127	139	74
Capital and dividends										
Ordinary shares on issue (number)	372	282	264	262	251	240	229	220	198	192
Paid up ordinary capital	3,027	1,234	892	950	860	716	624	561	360	320
Ordinary dividends paid or declared	460	245	193	178	165	138	84	107	81	56
Dividend per ordinary share	111.0c	87.0c	73.0c	67.0c	66.0c	58.0c	37.0c	48.0c	41.0c	29.0c
Percentage franked	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Financial performance										
Before goodwill amortisation										
Earnings per ordinary share (weighted average)	138.2	96.2c	80.4c	72.6c	70.6c	62.6c	44.8c	62.0c	72.7c	40.2c
After goodwill amortisation										
Earnings per ordinary share (weighted average)	116.0c	92.4c	77.6c	69.8c	67.6c	59.6c	41.3c	60.6c	71.6c	39.2c
Return on average ordinary shareholders' funds	16.6%	17.8%	17.0%	15.1%	15.2%	14.7%	10.8%	17.7%	25.1%	15.7%
Net interest cover – profit basis (times)	8.9	7.9	13.6	15.9	22.5	14.7	8.3	12.7	15.9	6.6
Net interest cover – cash basis (times)	12.7	10.9	18.9	23.0	31.6	21.5	13.3	18.1	21.2	9.8
Income tax expense (effective rate)	31.8%	32.0%	30.0%	28.7%	35.6%	35.7%	36.4%	32.8%	24.7%	35.9%
Financial position as at 30 June										
Total assets	6,613	4,004	3,169	2,576	2,374	2,058	2,005	1,932	1,693	1,358
Total liabilities	3,203	2,386	1,937	1,369	1,204	1,046	1,111	1,097	950	743
Net assets	3,410	1,618	1,232	1,207	1,170	1,012	894	835	743	615
Outside equity interests in controlled entities	10	24	6	1	2	1	1	6	130	117
Shareholders' equity attributable to members of Wesfarmers Limited	3,400	1,594	1,225	1,206	1,168	1,011	893	829	613	498
Net tangible asset backing per ordinary share	\$4.83	\$4.61	\$4.13	\$3.96	\$4.06	\$3.58	\$3.21	\$3.01	\$3.06	\$2.54
Net financial debt to net tangible assets	73.2%	77.6%	75.6%	41.1%	34.3%	28.5%	51.3%	55.8%	23.0%	40.3%
Net financial debt to equity	38.8%	63.4%	67.3%	36.3%	29.9%	24.2%	42.1%	44.8%	23.4%	39.2%
Total external liabilities/total tangible assets*	62.8%	62.7%	62.2%	54.1%	53.3%	54.9%	59.5%	61.6%	55.7%	53.7%
Stock market capitalisation as at 30 June	10,126	7,638	3,507	3,568	3,012	3,000	1,737	1,965	1,699	1,112

*Excluding project financing



Wesfarmers