

financial statements

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profit and loss account

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	NOTE	CONSOLIDATED		WESFARMERS LIMITED	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
Operating revenue	2	3,495,773	3,119,461	645,185	554,427
Operating profit before abnormal items and income tax	2	296,759	251,250	195,739	118,260
Abnormal items before income tax	5	–	1,285	–	–
Operating profit before income tax		296,759	252,535	195,739	118,260
Income tax attributable to:					
Operating profit before abnormal items	6	101,484	73,064	12,566	6,251
Abnormal items	5	(12,495)	(630)	752	–
		88,989	72,434	13,318	6,251
Operating profit after income tax		207,770	180,101	182,421	112,009
Outside equity interests in operating profit after income tax		741	660	–	–
Operating profit after income tax attributable to members of Wesfarmers Limited		207,029	179,441	182,421	112,009
Retained profits at the beginning of the financial year		211,426	209,794	25,253	91,053
Aggregate of amounts transferred (to) from reserves	22	(373)	42	873	42
Total available for appropriation		418,082	389,277	208,547	203,104
Dividends provided for or paid	7	192,961	177,851	192,961	177,851
Retained profits at the end of the financial year		225,121	211,426	15,586	25,253
Operating profit after income tax attributable to members of Wesfarmers Limited consists of:					
Profit before abnormal items and goodwill amortisation		201,819	184,827	182,421	112,009
Goodwill amortisation		(7,285)	(7,301)	–	–
Profit before abnormal items		194,534	177,526	182,421	112,009
Profit on abnormal items	5	12,495	1,915	–	–
		207,029	179,441	182,421	112,009

The profit and loss account should be read in conjunction with the accompanying notes.

balance sheet

AS AT 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	NOTE	CONSOLIDATED		WESFARMERS LIMITED	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
Current assets					
Cash	8	57,999	56,366	2,799	19,904
Receivables	9	558,181	394,702	1,314,358	1,048,131
Inventories	10	544,580	485,532	–	–
Total current assets		1,160,760	936,600	1,317,157	1,068,035
Non-current assets					
Receivables	9	138,733	100,854	121,674	99,193
Investments	11	202,355	96,341	492,545	455,243
Property, plant and equipment	12	1,505,538	1,279,633	21,299	26,021
Intangibles	13	135,488	141,997	–	–
Other	14	25,886	20,804	4,968	5,079
Total non-current assets		2,008,000	1,639,629	640,486	585,536
Total assets		3,168,760	2,576,229	1,957,643	1,653,571
Current liabilities					
Borrowings	15	401,104	231,558	237,267	67,610
Accounts payable	16	560,399	398,265	123,201	169,326
Provisions	17	184,224	213,523	85,540	120,927
Other	18	128,832	117,533	3,404	3,405
Total current liabilities		1,274,559	960,879	449,412	361,268
Non-current liabilities					
Borrowings	15	483,905	261,827	466,039	244,470
Accounts payable	16	2,249	2,411	572	659
Provisions	19	151,424	118,148	8,415	8,504
Other	20	25,167	25,506	–	–
Total non-current liabilities		662,745	407,892	475,026	253,633
Total liabilities		1,937,304	1,368,771	924,438	614,901
Net assets		1,231,456	1,207,458	1,033,205	1,038,670
Shareholders' equity					
Issued capital	21	892,192	950,402	892,192	950,402
Reserves	22	107,886	44,301	125,427	63,015
Retained profits		225,121	211,426	15,586	25,253
Shareholders' equity attributable to members of Wesfarmers Limited		1,225,199	1,206,129	1,033,205	1,038,670
Outside equity interests in controlled entities	23	6,257	1,329	–	–
Total shareholders' equity		1,231,456	1,207,458	1,033,205	1,038,670

The balance sheet should be read in conjunction with the accompanying notes.

statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	NOTE	CONSOLIDATED		WESFARMERS LIMITED	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
Cash flows from operating activities:					
Receipts from customers		3,284,408	2,797,024	526,089	584,141
Payments to suppliers and employees		(2,960,892)	(2,560,744)	(498,571)	(540,150)
Dividends received from associates		15,232	8,586	–	–
Dividends received other		359	1,113	1	1
Dividends received from controlled entities		–	–	157,684	94,458
Interest received		8,587	7,249	45,797	37,808
Borrowing costs		(32,146)	(22,519)	(36,431)	(35,389)
Income tax paid		(61,150)	(64,953)	(711)	(21,721)
Net cash provided by operating activities	24	254,398	165,756	193,858	119,148
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(189,396)	(351,928)	(3,159)	(1,718)
Acquisition of investments		(76,449)	(84,565)	(26,678)	–
Acquisition of entities	24	(157,697)	–	–	–
Advances to controlled entities		–	–	(320,096)	(30,259)
Loans (advanced to) repaid by related parties		(33,085)	(4,744)	–	109
Proceeds from sale of non-current assets		84,166	296,037	11,239	4,065
Other items		(1,452)	(2,220)	45	(93)
Net cash used in investing activities		(373,913)	(147,420)	(338,649)	(27,896)
Cash flows from financing activities:					
Proceeds from issue of shares – Wesfarmers Limited		–	80,351	–	80,351
– outside shareholders		5,092	–	–	–
Return of capital		–	(119,796)	–	(119,796)
Share buy back		(107,930)	–	(107,930)	–
Proceeds (repayments) from borrowings		380,471	76,206	391,226	(1,148)
Repayment of employee share plan loans		14,777	18,406	14,777	18,406
Dividends paid		–	–	–	–
– Ordinary shareholders		(170,387)	(83,504)	(170,387)	(83,504)
– Outside shareholders		(875)	(511)	–	–
Net cash provided by (used in) financing activities		121,148	(28,848)	127,686	(105,691)
Net increase (decrease) in cash held		1,633	(10,512)	(17,105)	(14,439)
Cash at the beginning of the financial year		56,366	66,878	19,904	34,343
Cash at the end of the financial year	24	57,999	56,366	2,799	19,904

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 2000 – 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 Law and other mandatory professional reporting requirements (Urgent Issues Consensus Views). They have been prepared in accordance with the historical cost convention except for certain assets referred to in note 1(f) which are at valuation. 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 35.

The consolidated entity has accounted for its investments in associates in accordance with the equity accounting 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 32.

(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, capital returns 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 32.

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

(f) Valuation of non-current assets

Non-current assets have been revalued from time to time as shown in the accounts with increments being taken to the asset revaluation reserve. Assets are not revalued to an amount above their recoverable amount and where carrying values exceed this recoverable amount, assets other than financial assets are written down. In determining recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

Where assets have been revalued upwards, the potential effect of the capital gains tax on disposal is not taken into account in the determination of the revalued carrying amount.

Any gain or loss on the disposal of revalued assets is determined as the difference between the carrying value of the assets at the time of disposal and the proceeds from disposal and is included in the result of the company or consolidated entity.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

1 Summary of significant accounting policies (continued)

(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.

(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.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

1 Summary of significant accounting policies (continued)

(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 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) Accounts payable

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 the superannuation fund are charged to the profit and loss when paid.

(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 dividend reinvestment reserve represents the probable final dividend to be reinvested under the terms of the company's dividend investment plan.

(r) Unearned income

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

(s) 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 profit and loss account.

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.

(t) Comparison

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

(u) 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 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
2 Operating profit				
Included in the operating profit are the following items of operating revenue:				
Sales revenue				
– Goods	2,848,114	2,321,831	426,935	412,704
– Services	510,381	495,968	2,623	4,346
Total sales	3,358,495	2,817,799	429,558	417,050
Proceeds on sale of non-current assets	75,166	262,587	11,239	4,065
Share of associates' net profits	15,617	13,067	–	–
Dividends				
– Controlled entities	–	–	157,684	94,548
– Other corporations	359	1,810	1	1
Interest (see note 3)	7,596	5,965	45,708	37,778
Rent received	9,824	9,725	583	600
Other income	28,716	8,508	412	385
Operating revenue	3,495,773	3,119,461	645,185	554,427
The operating profit before income tax is arrived at after: Crediting the following items:				
Profit on sale of property, plant and equipment	12,528	27,245	5,792	2,060
Profit on sale of listed investments	1,958	6	–	–
Profit (loss) on sale of controlled entities	–	–	803	(5,475)
Profit on sale of associated companies	8,463	8,384	–	200
Foreign currency translation gain (loss)	125	–	(11)	31
Net increment in the revaluation of investment property	500	250	–	–
Charging the following items:				
Bad debts				
– Trade	1,303	1,396	–	–
– Finance advances and loans	56	28	–	–
Bad debts charged to provision for doubtful debts				
– Trade	1,009	2,286	–	–
– Finance advances and loans	56	184	–	–
Depreciation and amortisation				
– Buildings	4,726	4,390	195	210
– Plant and equipment	108,586	104,746	1,376	1,450
– Leasehold improvements	1,159	1,214	42	23
– Mineral exploration and development costs	3,269	2,484	–	–
– Goodwill	7,285	7,301	–	–
Write down of non-current assets				
– Goodwill	135	58	–	–
Borrowing expenses				
– Interest paid (see note 3)	31,181	22,932	36,497	35,695
– Other borrowing costs	1,149	1,037	1,149	1,037
Leasing – operating lease rentals	54,807	43,789	1,644	1,371
Loss on sale of property, plant and equipment	1,119	1,661	3	–
Loss on sale of investments	19	–	–	–
Provisions charged against (credited to) profits				
– Employee entitlements	11,667	9,424	1,506	3,328
– Restoration obligations	1,311	605	–	–
– Other	(2,595)	3,094	–	–

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED		
	2000 \$000	1999 \$000	2000 \$000	1999 \$000	
2 Operating profit (continued)					
Provisions for doubtful debts charged against (credited to) profits					
– Trade	1,386	2,113	(14)	–	
– Finance advances and loans	(6)	10	–	–	
Government mining royalties	10,800	6,699	–	–	
Mineral exploration and development costs written off	57	52	–	–	
Contributions to defined benefit superannuation fund	950	906	–	–	
3 Net interest					
Interest paid/payable to:					
Ultimate parent entity	1,472	1,561	1,472	1,561	
Controlled entities	–	–	17,181	14,947	
Other persons/corporations	36,835	33,829	17,844	19,187	
	38,307	35,390	36,497	35,695	
Less interest capitalised to property, plant and equipment	7,126	12,458	–	–	
	31,181	22,932	36,497	35,695	
Less interest received/receivable from:					
Controlled entities	–	–	44,228	37,329	
Associated entities	430	127	74	127	
Other persons/corporations	7,166	5,838	1,406	322	
	7,596	5,965	45,708	37,778	
Net interest	23,585	16,967	(9,211)	(2,083)	
4 Auditors' remuneration					
Amounts received or due and receivable by the auditors for:					
Auditing financial report	679	698	94	90	
Other services	1,035	1,368	950	1,202	
	1,714	2,066	1,044	1,292	
	Gross	2000		1999	
	\$000	\$000	Net	Gross	Net
			\$000	\$000	\$000
5 Abnormal items					
Consolidated					
Change in income tax rates	–	(12,495)	12,495	–	–
Profit on sale of listed entity	–	–	–	14,091	5,073
Profit on sale of Bunnings Warehouse properties	–	–	–	17,505	5,209
Write down of Bunnings Forest Products property, plant and equipment	–	–	–	(30,311)	(10,912)
	–	(12,495)	12,495	1,285	(630)
					1,915
Wesfarmers Limited					
Change in income tax rates	–	752	(752)	–	–

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
6 Income tax				
The prima facie tax on operating profit before income tax differs from the income tax provided in the accounts and is calculated as follows:				
Prima facie tax at 36% on operating profit before abnormal items	106,833	90,450	70,466	42,574
Tax effect on permanent differences:				
Rebatable dividends	(126)	(652)	(56,532)	(33,795)
Depreciation and amortisation	4,797	4,519	107	133
Capital profits	(5,860)	(9,885)	(2,436)	(2,432)
Development allowance	(1,050)	(5,139)	–	–
Non-allowable items	1,733	1,362	695	198
Other items	(413)	(1,057)	–	–
Share of associated companies' tax expense	(4,201)	(3,887)	436	(2)
Adjustment relating to previous year	(229)	(2,647)	(170)	(425)
Income tax attributable to operating profit before abnormal items	101,484	73,064	12,566	6,251
Income tax attributable to abnormal items	(12,495)	(630)	752	–
Total income tax	88,989	72,434	13,318	6,251
Total income tax comprises:				
Amount set aside to provision for income tax	75,419	65,094	13,154	7,264
Amount set aside to (withdrawn from) provision for deferred income tax	9,587	12,322	89	(98)
Amount withdrawn from (set aside to) future income tax benefit	3,983	(4,982)	75	(915)
	88,989	72,434	13,318	6,251
7 Dividends provided for or paid				
25 cents per share (1999: 25 cents) interim dividend paid on ordinary shares (fully franked at 36%)	66,391	65,060	66,391	65,060
48 cents per share (1999: 42 cents) final dividend provided on ordinary shares (fully franked at 34%; 1999: 36%)	126,570	112,791	126,570	112,791
	192,961	177,851	192,961	177,851
Franking credits available for subsequent financial years after allowing for the payment of income tax payable as at 30 June 2000 and the payment of the final dividend provided at 30 June 2000	Nil	7,868		
8 Cash				
Cash on hand	1,628	1,263	7	6
Cash on deposit and at bank	56,371	55,103	2,792	19,898
	57,999	56,366	2,799	19,904
Weighted average effective interest rates – Cash on deposit and at bank	5.1%	4.7%		

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
9 Receivables				
Current				
Finance advances and loans	15,418	28,099	–	–
Less provision for doubtful debts	181	243	–	–
	15,237	27,856	–	–
Employee share plan loans	10,222	8,010	10,222	8,010
	25,459	35,866	10,222	8,010
Trade debtors	363,249	278,239	14,765	40,077
Less provision for doubtful debts	5,052	4,675	74	168
	358,197	273,564	14,691	39,909
Amounts other than trade receivables from:				
Controlled entities	–	–	1,288,346	998,219
Associated entities	4,147	11,075	4	144
Other debtors and prepayments	170,378	74,197	1,095	1,849
	174,525	85,272	1,289,445	1,000,212
	558,181	394,702	1,314,358	1,048,131
Non-current				
Finance advances and loans	165	318	–	–
Employee share plan loans	121,674	99,193	121,674	99,193
	121,839	99,511	121,674	99,193
Other debtors and prepayments	16,894	1,343	–	–
	138,733	100,854	121,674	99,193
Weighted average effective interest rates – Finance advances and loans	8.7%	8.9%		
10 Inventories				
Raw materials:				
At cost	55,793	41,378	–	–
At net realisable value	5,596	5,105	–	–
	61,389	46,483	–	–
Work in progress:				
At cost	42,325	43,133	–	–
Finished goods:				
At cost	440,523	395,451	–	–
At net realisable value	343	465	–	–
	440,866	395,916	–	–
Total inventories at lower of cost and net realisable value	544,580	485,532	–	–

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
ii Investments (non-current)				
Investments in controlled entities:				
Shares at cost	–	–	347,013	339,013
Shares at directors' valuation 1987	–	–	101,296	101,296
Loans at cost	–	–	23,459	13,613
	–	–	471,768	453,922
Investments in associated entities:				
Units in listed property trust at cost	46,878	26,279	–	–
Shares at cost	34,545	26,173	184	184
Shares at directors' valuation 1986	–	1,010	–	–
	81,423	53,462	184	184
Share of retained earnings and reserves of associated entities	9,096	8,875	–	–
	90,519	62,337	184	184
Loans to associated entities	21,766	7,088	705	1,122
	112,285	69,425	889	1,306
Investments in other listed entities:				
Shares and options at cost	14,611	5,014	–	–
Other investments:				
Investment property:				
At directors' valuation 2000	17,250	–	–	–
At directors' valuation 1999	–	16,750	–	–
	17,250	16,750	–	–
Shares at cost	37,899	4,696	1	1
Other loans at cost	20,310	456	19,887	14
	75,459	21,902	19,888	15
	202,355	96,341	492,545	455,243
Aggregate quoted market value at balance date of investments listed on a prescribed stock exchange compromise:				
Shares	20,804	11,676	–	–
Options	20	22	–	–
Units in listed property trust	53,512	36,630	–	–

Revaluation of investment property

The investment property was revalued at 30 June 2000. The valuation was based on the estimated amount for which the property could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at 30 June 2000.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	2000			1999		
	Gross value of assets \$000	Provision for depreciation/ amortisation \$000	Net fixed assets \$000	Gross value of assets \$000	Provision for depreciation/ amortisation \$000	Net fixed assets \$000
12 Property, plant and equipment						
Consolidated						
Freehold land:						
At cost	69,075	–	69,075	67,837	–	67,837
At directors' valuation 1988	14,489	–	14,489	17,483	–	17,483
At recoverable amount	5,300	–	5,300	13,744	–	13,744
	88,864	–	88,864	99,064	–	99,064
Buildings:						
At cost	131,497	35,146	96,351	140,294	33,132	107,162
At recoverable amount	4,580	167	4,413	8,640	–	8,640
	136,077	35,313	100,764	148,934	33,132	115,802
Leasehold improvements:						
At cost	11,139	5,771	5,368	11,755	4,922	6,833
Plant, vehicles and equipment:						
At cost	1,566,937	599,488	967,449	1,164,797	527,918	636,879
At directors' valuation 1990	42,182	28,891	13,291	43,181	25,900	17,281
At recoverable amount	2,347	341	2,006	4,089	–	4,089
Under construction at cost	22,366	–	22,366	152,174	–	152,174
	1,633,832	628,720	1,005,112	1,364,241	553,818	810,423
Mineral exploration and development costs:						
Production						
Mineral reserves at cost	277,013	21,931	255,082	215,501	17,176	198,325
Pre-production						
Mineral reserves at cost	772	–	772	772	–	772
	277,785	21,931	255,854	216,273	17,176	199,097
Plantations at recoverable amount	49,576	–	49,576	48,414	–	48,414
	2,197,273	691,735	1,505,538	1,888,681	609,048	1,279,633
Wesfarmers Limited						
Freehold land:						
At cost	781	–	781	12	–	12
At directors' valuation 1988	1,732	–	1,732	4,670	–	4,670
	2,513	–	2,513	4,682	–	4,682
Buildings:						
At cost	5,562	2,545	3,017	10,510	4,228	6,282
Leasehold improvements:						
At cost	1,314	202	1,112	1,412	238	1,174
Plant, vehicles and equipment:						
At cost	19,977	5,320	14,657	20,581	6,698	13,883
	29,366	8,067	21,299	37,185	11,164	26,021

Current values of land and buildings

The current value of the Wesfarmers Limited controlled entities' land and buildings at 30 June 2000 was \$216.2 million.

The values are based on directors' valuations as at 30 June 2000.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
13 Intangibles				
Trade names at cost	41,600	41,600	–	–
Goodwill at cost	137,049	136,682	–	–
Less provision for amortisation	43,161	36,285	–	–
	93,888	100,397	–	–
	135,488	141,997	–	–
14 Other non-current assets				
Future income tax benefit	22,036	17,413	4,968	5,046
Deferred expenditure	3,850	3,391	–	33
	25,886	20,804	4,968	5,079
15 Borrowings				
Current				
Secured				
– Bank loans	3,870	1,570	–	–
Unsecured				
– Deposits	158,478	161,657	–	–
– Bank loans	209,532	38,716	208,047	38,000
– Other loans	4	5	–	–
Amounts owing to ultimate parent entity	29,220	29,610	29,220	29,610
	401,104	231,558	237,267	67,610
Non-current				
Secured				
– Bank loans	133,623	112,564	–	–
Unsecured				
– Deposits	4,327	5,546	–	–
– Bank loans	331,457	129,248	464,367	242,831
– Other loans	12,826	12,830	–	–
Amounts owing to ultimate parent entity	1,672	1,639	1,672	1,639
	483,905	261,827	466,039	244,470

Secured loans

The weighted average interest rate on secured loans was 6.7% (1999: 6.7%).

Bank and other loans

Bank and other loans bear interest at short term commercial rates payable monthly or payable at the time of maturity of the bank bills or short term advances. The weighted average interest rate was 6.3% (1999: 5.3%) for the year ended 30 June 2000 and includes any interest rate hedging adjustments (see Note 28(a)).

Deposits and amounts owing to ultimate parent company

Deposits and amounts owing to the ultimate parent company bear interest at commercial deposit rates. The weighted average interest rate was 4.7% (1999: 4.8%) for the year ended 30 June 2000.

Secured liabilities

- Specific and floating charge over the assets of Wesfarmers Bengalla Limited.
- The financing of the Wesfarmers Bengalla Limited share of the Bengalla Joint Venture is by way of a project loan provided by a number of financial institutions. The loan is secured against Wesfarmers Bengalla Limited's share of the joint venture assets and undertakings and is non-recourse to the other assets of the consolidated entity. Loan repayments are based upon available cash flows from the project. At 30 June 2000 the amount outstanding by Wesfarmers Bengalla Limited under the project financing arrangement totalled \$137.5 million and the book value of the company's assets secured against the loan was \$207.5 million.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
16 Accounts payable				
Current				
Trade creditors and accruals	560,361	398,265	27,276	53,937
Amounts other than trade creditors payable to:				
– Controlled entities	–	–	95,887	115,389
– Associated entities	38	–	38	–
	560,399	398,265	123,201	169,326
Non-current				
Trade creditors and accruals	2,249	2,411	–	–
Amounts other than trade creditors payable to controlled entities	–	–	572	659
	2,249	2,411	572	659
17 Provisions (current)				
Employee entitlements	65,500	57,109	9,623	7,948
Restoration obligations	1,676	916	–	–
Restructuring	107	883	–	–
Other	2,668	5,105	–	–
	69,951	64,013	9,623	7,948
Dividends	63,285	112,791	63,285	112,791
Income tax	50,988	36,719	12,632	188
	184,224	213,523	85,540	120,927
18 Other current liabilities				
Unearned insurance premiums	77,421	71,843	3,404	3,405
Outstanding insurance claims	51,411	45,690	–	–
	128,832	117,533	3,404	3,405
19 Provisions (non-current)				
Deferred income tax liability	92,583	83,004	349	260
Employee entitlements	24,792	24,601	8,066	8,244
Restoration obligations	34,049	10,543	–	–
	151,424	118,148	8,415	8,504
20 Other non-current liabilities				
Outstanding insurance claims	25,167	25,506	–	–

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
21 Capital				
Issued and paid up capital is as follows:				
263,687,320 (1999: 262,379,463) ordinary shares	892,192	876,367	892,192	876,367
6,169,602 shares issued on 21 July 1999 as a result of exercise of options at 30 June 1999	–	74,035	–	74,035
1 founders share fully paid	–	–	–	–
	892,192	950,402	892,192	950,402
The redeemable Founder Share issued to the ultimate parent entity has special voting rights and is subject to the approval of members of Westralian Farmers Co-operative Limited at five yearly intervals. The Founder Share may be redeemed by Westralian Farmers Co-operative Limited at any time.				
Shares issued during the year				
Employee share plan:				
3,936,640 ordinary shares fully paid at \$12.63 per share				
Shares bought back during the year:				
On market buy back of 8,798,385 shares				
Movement in capital during the year:				
Balance at beginning of year	876,367	125,549	876,367	125,549
Issue of shares during the year	123,755	142,176	123,755	142,176
Shares repurchased during the year	(107,930)	–	(107,930)	–
Transfer from share premium reserve	–	733,971	–	733,971
Transfer from share option reserve	–	100	–	100
Transfer from capital redemption reserve	–	120	–	120
Capital return to shareholders	–	(125,549)	–	(125,549)
Balance at end of year	892,192	876,367	892,192	876,367
22 Reserves				
Capital reserve	24,170	22,924	–	–
Asset revaluation reserve	14,132	15,005	58,202	59,075
Foreign currency translation reserve	798	871	–	–
Insurance reserve	333	333	–	–
General reserve	5,168	5,168	3,940	3,940
Share re-investment reserve	63,285	–	63,285	–
	107,886	44,301	125,427	63,015
Asset revaluation reserve:				
Transfer to retained profits on realisation	(873)	(42)	(873)	(42)
Capital reserve:				
Transfer on liquidation of subsidiary company	1,246	–	–	–
Transfer from share premium reserve	–	406	–	–
	1,246	406	–	–
Foreign currency reserve:				
Translation movement for the year	(73)	165	–	–
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	63,285	–	63,285	–
Utilisation of share re-investment reserve on issue of shares	–	(53,986)	–	(53,986)

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
23 Outside equity interest				
Issued capital	5,583	509		
Reserves	160	184		
Retained profits	514	636		
	6,257	1,329		
24 Cash flows				
(a) Non cash financing and investing activities:				
Share capital issues:				
Dividend investment plan	–	81,403	–	81,403
Employee share plan	49,720	54,457	49,720	54,457
	49,720	135,860	49,720	135,860
Dividends:				
Employee share plan repayments	8,795	8,126	8,795	8,126
Capital return:				
Employee share plan repayments	–	5,753	–	5,753
(b) Reconciliation of net cash provided by operating activities to operating profit after income tax:				
Operating profit after income tax	207,770	180,101	182,421	112,009
Depreciation and amortisation	125,025	120,135	1,613	1,683
Provisions charged against profits	10,383	13,123	1,506	3,328
(Profit) loss on sale of non-current assets	(21,811)	(65,570)	(6,592)	3,215
Share of associated companies' profit after tax	(15,617)	(13,067)	–	–
Dividends received from associated companies	16,059	9,099	–	–
Write down of non-current assets	135	30,369	–	–
Other items	(28)	808	88	(815)
Changes in assets and liabilities net of effects of acquisitions of entities and businesses:				
(Increase) decrease in accounts receivable	(169,344)	(19,849)	27,348	(13,503)
Increase in inventories	(26,613)	(104,491)	–	–
Increase (decrease) in accounts payable	101,568	10,489	(25,132)	28,602
Increase (decrease) in insurance provisions	8,475	7,197	(1)	99
Provisions applied	(9,443)	(10,069)	–	–
Increase (decrease) in deferred taxes payable	13,570	7,340	163	(1,013)
Increase (decrease) in income tax payable	14,269	141	12,444	(14,457)
Net cash provided by operating activities	254,398	165,756	193,858	119,148

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
24 Cash flows (continued)				
(c) Entities acquired:				
Curragh Coal	208,942	–	–	–
Less Amounts to be paid in subsequent period	(49,185)	–	–	–
	159,757	–	–	–
Fair value of net assets acquired:				
Cash	2,060	–	–	–
Receivables (current)	1,139	–	–	–
Inventories (current)	30,468	–	–	–
Receivables (non current)	1,410	–	–	–
Other (non current)	8,650	–	–	–
Property plant and equipment	207,518	–	–	–
Accounts payable (current)	(13,468)	–	–	–
Provisions (current)	(5,880)	–	–	–
Provisions (non current)	(22,955)	–	–	–
	208,942	–	–	–
Less consideration to be paid in subsequent periods	(49,185)	–	–	–
	159,757	–	–	–
Outflow of cash to acquire the entity:				
Cash consideration	159,757	–	–	–
Less cash balances acquired	(2,060)	–	–	–
	157,697	–	–	–
(d) 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	1,628	1,263	7	6
Cash on deposit and at bank	56,371	55,103	2,792	19,898
	57,999	56,366	2,799	19,904
25 Commitments				
Lease commitments (substantially in connection with leased property)				
Amounts due under operating lease:				
Within 1 year	61,281	50,963	1,726	1,651
Within 1-2 years	55,452	48,320	1,602	1,484
Within 2-5 years	117,710	117,097	4,354	3,935
Over 5 years	130,449	107,698	2	1,191
	364,892	324,078	7,684	8,261
Commitments arising from contracts for capital expenditure contracted for at balance date but not provided for:				
Consolidated entity:				
Due within 1 year	48,834	44,213	–	–

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
26 Contingent liabilities				
Contingent liabilities at balance date not otherwise provided for in these accounts:				
Other amounts – unsecured	7,091	8,282	–	–
Wesfarmers Limited and all the controlled entities marked “+” in note 31 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.				
27 Financing arrangements				
The consolidated entity has unrestricted access to the following finance facilities:				
Overdraft	5,500	5,500	5,500	5,500
Multi purpose facilities	205,000	285,000	205,000	285,000
Bank bill lines	570,000	420,000	570,000	420,000
	780,500	710,500	780,500	710,500
Amount of credit unused	158,490	452,076	158,490	452,076
The unused amounts of the facilities have the following terms:				
Within 1 year	34,670	120,500	34,670	120,500
Within 1-2 years	123,820	–	123,820	–
Within 2-5 years	–	331,576	–	331,576
	158,490	452,076	158,490	452,076

28 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, 11, 15 and 16.

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 2000 the fixed rates varied from 5.7% to 6.7% (1999: 5.6% to 7.7%) and the majority of the floating rates were at bank bill rates.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

28 Financial instruments (continued)

(a) Interest rate risk exposure (continued)

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

	Note	FIXED INTEREST MATURING IN:					Total \$000
		Floating \$000	1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non-interest bearing \$000	
2000							
Financial assets							
Cash	8	46,811	–	–	–	11,188	57,999
Receivables	9	–	15,237	165	–	681,512	696,914
Investments **	11	–	–	–	–	72,820	72,820
		46,811	15,237	165	–	765,520	827,733
Financial liabilities							
Borrowings	15	885,009	–	–	–	–	885,009
Accounts payable	16	–	–	–	–	562,648	562,648
		885,009	–	–	–	562,648	1,447,657
Interest swaps *		(439,427)	–	130,000	309,427	–	–
1999							
Financial assets							
Cash	8	48,901	–	–	–	7,465	56,366
Receivables	9	–	27,856	318	–	467,382	495,556
Investments **	11	–	–	–	–	10,166	10,166
		48,901	27,856	318	–	485,013	562,088
Financial liabilities							
Borrowings	15	493,385	–	–	–	–	493,385
Accounts payable	16	–	–	–	–	400,676	400,676
		493,385	–	–	–	400,676	894,061
Interest swaps and collar *		(399,440)	70,000	70,000	259,440	–	–

** Excluding investments in property and associate companies

* Notional principal amounts

(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 profit or loss account 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	
	2000 \$000	1999	2000 \$000	1999 \$000
Buy US dollars				
Not longer than one year	0.6023	0.6575	16,328	49,852
Sell US dollars				
Not longer than one year	0.6043	0.6767	78,281	36,562
Longer than one year but not longer than two years	0.6081	0.6960	66,601	22,275
Longer than two years but not longer than three years	0.6108	0.6756	81,690	24,667
Longer than three years but not longer than four years	0.6133	0.6624	87,075	30,184
Longer than four years but not longer than five years	0.6152	0.6470	83,308	23,030
Longer than five years	0.6162	0.6125	4,057	408

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

28 Financial instruments (continued)

(b) Foreign exchange risk exposure (continued)

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 2000 was \$3.7 million (1999: \$3.3 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 balance sheet.

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-balance sheet derivative contracts is minimised as 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 at note 28(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.

(e) Net fair values of financial assets and liabilities

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following bases:

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 using discounted cash flow analysis on the expected inflows from repayment of loans by way of dividends. Dividends are assumed to continue at the same level as for the current financial year. The discount rate for the year ended 30 June 2000 is 7.2% (1999: 7.1%) and is 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 on the Australian Stock Exchange at balance date.

Accounts payable – the carrying amount approximates fair value.

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

Off-balance sheet financial instruments

The valuation of off-balance sheet 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 as at reporting date. This is based on independent market quotations and determined using standard valuation techniques.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	2000		1999	
	CARRYING AMOUNT \$000	NET FAIR VALUE \$000	CARRYING AMOUNT \$000	NET FAIR VALUE \$000
28 Financial instruments (continued)				
(e) Net fair values of financial assets and liabilities (continued)				
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:				
Assets				
Employee share plan loans	131,896	91,164	107,203	72,316
Listed shares and options	14,611	20,824	5,014	11,698
Interest rate swaps	–	14,085	–	–
Liabilities				
Interest rate swaps and forward rate agreements	–	–	–	10,946
Forward exchange contracts	–	3,652	–	3,339

Employee share plan loans are carried above their net fair value as 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 related shares involved.

29 Superannuation commitments and ownership remuneration scheme

(a) Superannuation

The following superannuation and pension funds have been established:

Fund	Benefit type
Australian Wool Selling Brokers Superannuation Fund	Accumulated lump sum
The Coal Industry Superannuation Fund	Defined benefit fund
Wesfarmers Staff Retirement Fund	Defined benefit, pension and accumulated lump sum
Western Collieries Retirement and Assurance Plan for Staff Members	Accumulated lump sum

Employees are entitled to varying levels of benefits on retirement, disability or death. The defined benefit funds provide benefits based on years of membership and final average salary. Employees contribute to the funds at various percentages of their remuneration. No contributions are currently being made to the Wesfarmers Staff Retirement Fund by the consolidated entity. The consolidated entity's contributions are not legally enforceable other than those payable in terms of notified award and superannuation guarantee levy obligations.

The assets of each fund are sufficient to satisfy all benefits that would have vested under the plans in the event of termination of the plans and voluntary or compulsory termination of employment of each employee.

Details of the defined benefits funds as extracted from their most recent financial reports are as follows:

	WESFARMERS STAFF RETIREMENT FUND 30 JUNE 1999 \$000	THE COAL INDUSTRY SUPERANNUATION FUND 30 JUNE 1999 \$000
Accrued benefits	259,094	43,095
Net market value of plan assets	309,652	66,459
Surplus of net market value of plan assets over accrued benefits	50,558	23,364
Vested benefits	250,396	50,254

Actuarial assessments of plans were last made as follows:

Wesfarmers Staff Retirement Fund – 30 June 1999 by Mr D Balson FIAA

The Coal Industry Superannuation Fund – 30 June 1997 by Ms Catherine Nance BA, B.Sc., FIAA

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

29 Superannuation commitments and ownership remuneration scheme (continued)

(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 (for January 2000: 7,331 were invited to apply for shares). All eligible employees receive the general invitation to apply for a specified number of shares (January 2000: 500 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% 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 January 2000 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 approximately 6% of the issued capital of the company.

During the financial year 3,936,640 ordinary fully paid shares have been issued to employees under the Plan, the total market value of those shares at the issue date (14 January 2000) was \$49,365,465 and the total amount received and/or receivable from employees for those shares is \$49,719,763.

CONSOLIDATED		WESFARMERS LIMITED	
2000	1999	2000	1999
\$000	\$000	\$000	\$000

30 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

16,664 12,401

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

4,802 3,976

WESFARMERS LIMITED	
2000	1999
No.	No.

Directors of Wesfarmers Limited whose remuneration was within:

\$ 40,000 – \$ 49,999	–	3
\$ 50,000 – \$ 59,999	8	6
\$ 60,000 – \$ 69,999	1	–
\$ 70,000 – \$ 79,999	–	1
\$ 80,000 – \$ 89,999	1	–
\$ 200,000 – \$ 209,999	1	1
\$ 630,000 – \$ 639,999	–	1
\$ 650,000 – \$ 659,999	–	1
\$ 750,000 – \$ 759,999	1	–
\$ 780,000 – \$ 789,999	1	–
\$1,930,000 – \$1,939,999	–	1
\$2,470,000 – \$2,479,999	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. It also includes notional superannuation contributions that have not been paid by the consolidated entity due to an actuarial surplus in the superannuation fund.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	CONSOLIDATED		WESFARMERS LIMITED	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
30 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	22,020	12,635	9,714	6,127
	CONSOLIDATED		WESFARMERS LIMITED	
	2000 No.	1999 No.	2000 No.	1999 No.
Executives of Wesfarmers Limited and entities in the consolidated entity whose remuneration was within:				
\$ 140,000 – \$ 149,999	–	1	–	–
\$ 150,000 – \$ 159,999	2	3	2	–
\$ 160,000 – \$ 169,999	–	1	–	–
\$ 170,000 – \$ 179,999	5	4	1	–
\$ 180,000 – \$ 189,999	2	1	–	1
\$ 190,000 – \$ 199,999	6	3	–	–
\$ 200,000 – \$ 209,999	1	5	–	1
\$ 210,000 – \$ 219,999	5	3	–	–
\$ 230,000 – \$ 239,999	2	3	1	1
\$ 240,000 – \$ 249,999	2	3	1	1
\$ 250,000 – \$ 259,999	2	1	–	–
\$ 260,000 – \$ 269,999	1	–	–	–
\$ 270,000 – \$ 279,999	4	1	2	–
\$ 280,000 – \$ 289,999	1	1	–	1
\$ 290,000 – \$ 299,999	1	1	–	–
\$ 300,000 – \$ 309,999	–	1	–	–
\$ 320,000 – \$ 329,999	–	1	–	1
\$ 330,000 – \$ 339,999	1	–	–	–
\$ 340,000 – \$ 349,999	1	–	–	–
\$ 370,000 – \$ 379,999	1	–	–	–
\$ 390,000 – \$ 399,999	–	1	–	–
\$ 420,000 – \$ 429,999	1	–	–	–
\$ 460,000 – \$ 469,999	–	2	–	1
\$ 470,000 – \$ 479,999	–	1	–	2
\$ 480,000 – \$ 489,999	–	1	–	–
\$ 520,000 – \$ 529,999	1	–	1	–
\$ 540,000 – \$ 549,999	1	–	1	–
\$ 550,000 – \$ 559,999	1	–	–	–
\$ 570,000 – \$ 579,999	1	–	1	–
\$ 630,000 – \$ 639,999	–	1	–	1
\$ 650,000 – \$ 659,999	–	1	–	1
\$ 680,000 – \$ 689,999	1	–	–	–
\$ 750,000 – \$ 759,999	1	–	1	–
\$ 780,000 – \$ 789,999	1	–	1	–
\$1,230,000 – \$1,239,999	1	–	1	–
\$1,290,000 – \$1,299,999	1	–	1	–
\$1,700,000 – \$1,709,999	1	–	–	–
\$1,930,000 – \$1,939,999	–	1	–	1
\$2,000,000 – \$2,009,999	1	–	–	–
\$2,470,000 – \$2,479,999	1	–	1	–

For the purposes of Accounting Standards AASB1034 the company has interpreted executive officers as being the managing director, divisional executive directors and general managers in the consolidated entity.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

31 Particulars relating to controlled entities

	BENEFICIAL INTEREST			BENEFICIAL INTEREST	
	2000	1999		2000	1999
	%	%		%	%
Parent entity: Wesfarmers Limited					
Controlled entities:					
Australian Gold Reagents Pty Ltd	75	75	Stores Realty Pty Ltd +	100	100
Barnett Bros Pty Ltd +	100	100	Tasmanian Fertilisers Limited +	100	100
Bunnings (Northern Territory) Pty Ltd +	100	100	Total Western Transport Pty Ltd	–	100
Bunnings Building Supplies Pty Ltd +	100	100	Ucone Pty Ltd +	100	100
Bunnings Chip Mill Pty Ltd +	100	100	WA Chip & Pulp Co Pty Ltd +	100	100
Bunnings Management Services Pty Ltd +	100	100	WA Salvage Pty Ltd +	100	100
Bunnings Manufacturing Pty Ltd +	100	100	Wesfarmers Bangladesh Gas Pty Ltd	100	100
Bunnings Properties Pty Ltd +	100	100	Wesfarmers Bengalla Limited	100	100
Bunnings Property Management Limited	100	100	Wesfarmers Bunnings Limited +	100	100
Bunnings Pulp Mill Pty Ltd +	100	100	Wesfarmers CSBP Limited +	100	100
Bunnings Timbcraft Pty Ltd +	100	100	Wesfarmers Coal Holdings Pty Ltd +	100	100
Bunnings Tree Plantations Ltd	75	75	Wesfarmers Coal (Indonesia) Pty Ltd +	100	100
CS Holdings Pty Limited +	100	100	Wesfarmers Coal Limited +	100	100
CSBP Ammonia Terminal Pty Ltd	100	100	Wesfarmers Coal Superannuation Pty Ltd +	100	100
CSBP Superannuation Services Pty Ltd	100	100	Wesfarmers Credit Corporation (Finance) Ltd	–	100
Cardinal Contractors Pty Ltd +	100	100	Wesfarmers Credit Corporation Limited	–	100
Chemical Holdings Kwinana Pty Ltd +	100	100	Wesfarmers Dalgety Limited +	100	100
Co-operative Wholesale Services Ltd	100	100	Wesfarmers Dalgety Real Estate (WA) Pty Ltd +	100	100
Credit Management Pty Ltd +	100	100	Wesfarmers Dalgety Risk Management Pty Ltd	100	100
Cuming Smith and Company Limited +	100	100	Wesfarmers Dalgety Tenderland Pty Ltd	100	100
Curragh Coal Sales Co Pty Ltd	100	–	Wesfarmers Dalgety Wool Pty Ltd	100	100
Curragh Queensland Mining Limited	100	–	Wesfarmers Energy Limited +	100	100
Dalgety Limited +	100	100	Wesfarmers Federation Insurance Limited	100	100
Dalgety Real Estate (Qld) Pty Limited +	100	100	Wesfarmers Fertilizers Pty Ltd +	100	100
Eastfarmers Pty Ltd +	100	100	Wesfarmers Gas Limited	100	100
Elpiji Malaysia – Bangladesh Limited #	55	–	Wesfarmers Insurance Investments Pty Ltd	100	100
Greenloop Limited # (in liquidation)	100	100	Wesfarmers International Finance Limited #	100	100
Gresham Private Equity Fund	97	–	Wesfarmers Investments Pty Ltd	100	100
Interfix Gold Coast Pty Ltd +	100	100	Wesfarmers Kleenheat Gas (Asia) Limited #	100	100
Interline Pty Ltd +	100	100	Wesfarmers Kleenheat Gas Pty Ltd +	100	100
Jakem Timbers Limited <	100	100	Wesfarmers LPG Pty Ltd	100	100
Johnstone River Transport Pty Ltd	100	100	Wesfarmers Private Equity Pty Ltd	100	–
Kleenheat Gas House Franchising Pty Ltd	100	–	Wesfarmers Provident Fund Pty Ltd +	100	100
Kwinana Nitrogen Company Proprietary Limited +	100	100	Wesfarmers Resources Pty Ltd +	100	100
Latot Pty Ltd	100	100	Wesfarmers Risk Management Limited #	100	100
Loggia Pty Ltd +	100	100	Wesfarmers Sugar Company Pty Ltd	100	100
Malwest Pty Ltd	100	100	Wesfarmers Superannuation Pty Ltd +	100	100
Millars (WA) Pty Ltd +	100	100	Wesfarmers Transport Indonesia Pty Ltd	100	100
Pailou Pty Ltd +	100	100	Wesfarmers Transport International #	100	–
PT Mitra Wesfarmers #	70	–	Wesfarmers Transport Limited +	100	100
R&N Palmer Pty Ltd +	100	100	Weskem Pty Ltd +	100	100
Riodale Pty Ltd	–	100	Westralian Farmers Superphosphates Limited +	100	100
Sotico Pty Ltd +	100	100	WTL Asia Pty Ltd	100	–
Sotico Treefarms Pty Ltd +	100	100	XCC Pty Ltd (formerly Charlie Carter Pty Ltd)	–	100
South West Forest Holdings Pty Ltd	100	100	(in liquidation)	–	100
			XCC (Retail) Pty Ltd +	100	100

Audited by firms of Ernst & Young International.

< Audited by other firms of accountants.

With the exception of Greenloop Limited, Wesfarmers International Finance Limited and Wesfarmers Kleenheat Gas (Asia) Limited which are incorporated in Hong Kong; Jakem Timbers Limited incorporated in the United Kingdom; Wesfarmers Risk Management Limited incorporated in Bermuda; Elpiji Malaysia-Bangladesh Limited incorporated in Bangladesh; PT Mitra Wesfarmers incorporated in Indonesia 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.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

31 Particulars relating to controlled entities (continued)

For entities within the consolidated entity which have entered into deeds of cross guarantee, the consolidated profit and loss statement and balance sheet are as follows:

Consolidated profit and loss statement

Operating profit before abnormal items and income tax
Abnormal items before income tax

Operating profit before income tax

Income tax attributable to:
Operating profit before abnormal items
Abnormal items

Operating profit after income tax

Retained profits at the beginning of the financial year
Aggregate of amounts transferred (to) from reserves

Total available for appropriation

Dividends provided for or paid

Retained profits at the end of the financial year

Consolidated balance sheet

Current assets

Cash
Receivables
Inventories

Total current assets

Non-current assets

Receivables
Investments
Property, plant and equipment
Intangibles
Other

Total non-current assets

Total assets

Current liabilities

Borrowings
Accounts payable
Provisions
Other

Total current liabilities

Non-current liabilities

Borrowings
Accounts payable
Provisions

Total non-current liabilities

Total liabilities

Net assets

Shareholders' equity

Issued capital
Reserves
Retained profits

Total shareholders' equity

	2000	1999
	\$000	\$000
Operating profit before abnormal items and income tax	300,984	238,683
Abnormal items before income tax	–	1,285
Operating profit before income tax	300,984	239,968
Income tax attributable to:		
Operating profit before abnormal items	88,573	72,118
Abnormal items	(8,372)	(630)
	80,201	71,488
Operating profit after income tax	220,783	168,480
Retained profits at the beginning of the financial year	165,031	174,360
Aggregate of amounts transferred (to) from reserves	(373)	42
Total available for appropriation	385,441	342,882
Dividends provided for or paid	192,961	177,851
Retained profits at the end of the financial year	192,480	165,031
Consolidated balance sheet		
Current assets		
Cash	15,833	27,250
Receivables	665,430	437,645
Inventories	526,856	474,520
Total current assets	1,208,119	939,415
Non-current assets		
Receivables	130,763	100,096
Investments	143,239	144,261
Property, plant and equipment	1,246,365	1,033,806
Intangibles	135,835	140,505
Other	22,273	14,645
Total non-current assets	1,678,475	1,433,313
Total assets	2,886,594	2,372,728
Current liabilities		
Borrowings	362,929	288,528
Accounts payable	497,210	363,509
Provisions	177,486	220,721
Other	3,435	9
Total current liabilities	1,041,060	872,767
Non-current liabilities		
Borrowings	534,132	250,028
Accounts payable	1,415	2,854
Provisions	118,373	87,917
Total non-current liabilities	653,920	340,799
Total liabilities	1,694,980	1,213,566
Net assets	1,191,614	1,159,162
Shareholders' equity		
Issued capital	892,192	950,402
Reserves	106,942	43,729
Retained profits	192,480	165,031
Total shareholders' equity	1,191,614	1,159,162

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

32 Particulars relating to associated entities

ASSOCIATED ENTITY	PRINCIPAL ACTIVITY	BENEFICIAL INTEREST		BOOK VALUE OF INVESTMENT		CONTRIBUTION TO CONSOLIDATED PROFIT	
		2000 %	1999 %	2000 \$000	1999 \$000	2000 \$000	1999 \$000
Air Liquide WA Pty Ltd	Industrial gases	40	40	1,381	1,381	469	1,442
Albany Wool Stores Pty Ltd	Wool handling	35	35	185	185	300	4
Arcadian Wool Brokers Limited	Wool handling	41	41	3,001	3,001	579	94
Auctionplus Pty Ltd	Livestock service	37	37	–	1,520	(734)	(132)
Bengalla Agricultural Company Pty Limited	Dairy	40	37	1	1	82	4
Bunnings Warehouse Property Trust	Property	31	25	46,878	26,279	3,948	2,380
Gresham Partners Group Limited	Merchant banking	50	50	4,255	4,255	2,356	2,819
Jardine Australian Insurance Broker Holdings Pty Limited	Insurance broking	–	10	–	1,010	–	1,028
Queensland Nitrates Management Pty Ltd	Management	50	50	–	–	–	–
Queensland Nitrates Pty Ltd	Chemical manufacture	50	50	10,000	–	(373)	–
Sydney Woolbrokers Limited	Wool handling	48	48	–	108	(106)	(42)
Wesfarmers OD Transport Pty Ltd	Transport	–	50	–	–	4	33
Wespine Industries Pty Ltd	Pine sawmillers	50	50	7,030	7,030	4,708	3,046
Wooldumpers Australia Pty Ltd	Wool handling	50	50	8,692	8,692	4,384	2,391
				81,423	53,462	15,617	13,067
						CONSOLIDATED	
						2000 \$000	1999 \$000

Additional disclosure

(a) Share of associates' profits:

Operating profit before income tax	22,924	19,649
Income tax expense	7,307	6,582
Operating profit after income tax	15,617	13,067

(b) Carrying amount of investment in associates:

Balance at the beginning of the financial year	62,337	27,084
Acquisition of associates during the financial year	30,599	32,392
Disposal of associates during the financial year	(864)	(1,107)
Write down of associated companies	(109)	–
Share of associates' profits for the financial year	15,617	13,067
Dividends received from associates	(17,061)	(9,099)
Carrying amount of interest in associates	90,519	62,337

(c) Particulars of retained earnings and reserves attributable to associate:

Retained earnings	8,690	8,469
Reserves	406	406
	9,096	8,875

(d) The consolidated entity's share of associated companies commitments and contingent liabilities are included in notes 25 and 26 where material.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

33 Segment information

	OPERATING REVENUE		SEGMENT ASSETS		EARNINGS BEFORE TAX	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000	2000 \$000	1999 \$000
Rural services and insurance	847,652	755,511	598,781	506,255	40,144	23,318
Fertilisers and chemicals	403,146	419,504	548,140	485,321	45,115	61,361
Energy	588,756	471,736	946,265	631,495	107,460	97,861
Hardware and forest products	1,498,391	1,170,004	861,686	781,203	139,977	99,141
Other – investments and services	164,612	159,364	346,798	287,211	29,666	23,869
	3,502,557	2,976,119	3,301,670	2,691,485	362,362	305,550
Consolidation adjustments	(6,784)	(5,692)	(132,910)	(115,256)	(6,692)	(5,604)
Abnormal items						
– Hardware and forest products segment	–	84,525	–	–	–	(12,806)
– Other segment	–	64,509	–	–	–	14,091
Interest paid and corporate overheads	–	–	–	–	(58,911)	(48,696)
	3,495,773	3,119,461	3,168,760	2,576,229	296,759	252,535

The consolidated entity operates predominantly in Australia.

CONSOLIDATED
2000 1999

34 Earnings per share

Basic and diluted earnings per share (cents per share)		
– Before abnormal items and goodwill amortisation	75.7	71.9
– Before abnormal items	73.0	69.1
– After abnormal items	77.6	69.8
Weighted average number of ordinary shares used in the basic earnings per share calculation	266,650,758	257,073,060

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED

2000 1999
\$000 \$000

35 Interests in joint ventures

Interests in joint ventures are included in the accounts in the following categories:

Current assets

Cash	556	5,703
Receivables	652	474
Inventories	6,072	3,907
	7,280	10,084

Non-current assets

Investments	17,250	16,764
Property, plant and equipment	202,988	186,869
Deferred Expenditure	2,701	1,773
	222,939	205,406

Total assets employed in joint ventures

230,219 215,490

Current liabilities

Accounts payable	5,153	6,246
Provisions	607	340

Total liabilities

5,760 6,586

Net assets

224,459 208,904

Details of the consolidated entity's interest in joint ventures:

JOINT VENTURE	PRINCIPAL ACTIVITY	INTEREST		CONTRIBUTION TO CONSOLIDATED PROFIT AFTER INCOME TAX		NET ASSETS	
		2000 %	1999 %	2000 \$000	1999 \$000	2000 \$000	1999 \$000
40 The Esplanade, Perth	Investment property	50	50	737	639	17,250	16,750
Sodium Cyanide	Sodium cyanide manufacture	75	75	4,575	4,837	53,383	52,770
Bengalla Joint Venture	Coal exploration	40	37	(1,408)	1,696	151,237	137,720
Wesfarmers Marubeni Joint Venture	Sugar development	80	80	6	15	2,589	1,664
Total interest in joint ventures				3,910	7,187	224,459	208,904

36 Economic dependency

Approximately 84% (1999: 82%) of the consolidated entity's production from its coal operations is sold to Western Power in accordance with a contract that expires in the year 2010.

The manufacture of liquefied petroleum gas is dependent on the supply of gas under a long term contract with AlintaGas.

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – 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	J M Paterson
M A Chaney	L A Giglia	W J Murphy	C H Perkins
T R Eastwood	J P Graham	D E W Nuttall	D C White
T J Flügge	K P Hogan		

2 The ultimate parent entity of Wesfarmers Limited is Westralian Farmers Co-operative Limited.

3 The following related party transactions occurred during the year:

(a) Transactions with related parties

(i) Wesfarmers Limited and its controlled entities are provided with loan funds from Westralian Farmers Co-operative Limited from time to time at interest rates equivalent to the net cost of Westralian Farmers Co-operative Limited's borrowings.

The balance of these loans at 30 June 2000 was \$30.9 million (1999: \$31.2 million).

(ii) 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.

(iii) 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	
	2000	1999
	\$000	\$000
(i) Loans to directors		
Wesfarmers Limited employee share plan		
Aggregate of advances outstanding at 30 June	14,040	14,442
Aggregate of advances made during the year	1,827	10,267
The names of directors of Wesfarmers Limited and controlled entities who received advances:		
R J Adams	R J B Goyder	W H Pruys
D E Allan	K T Graham	C F Pullan
B Beecroft	E P Harnett	M W Ridley
D J Beisley	G P Ireson	D A Robb
M Berecry	P J Johnston	D C Rogers
J Boros	P J Jolob	L J Schmitz
R J Buckley	B J Kelly	D A Tannock
R A Carey	P W Knowles	I P Thomson
J M Cleland	T J R Kuzman	G T Tilbrook
A Coles	F G D Landels	M J Vitlich
P J C Davis	B J Larking	M J Wedgwood
B J H Denison	D Lawler	P Wickham
P R Durham	D J McMahon	J H Wilson
M G Evans	T T Morgan	
J J Fane de Salis	D C Mossop	
J C Gillam	K J O'Connell	
D K Goldsmith	S Price	
Aggregate of repayments made during the year	1,258	2,936

notes to and forming part of the accounts

FOR THE YEAR ENDED 30 JUNE 2000 – 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	J C Gillam	K J O'Connell
D E Allan	D K Goldsmith	S Price
B Beecroft	R J B Goyder	W H Pruys
D J Beisley	K T Graham	C F Pullan
M Berecny	E P Harnett	M W Ridley
J Boros	G P Ireson	D A Robb
R J Buckley	P J Johnston	D C Rogers
R A Carey	P J Jolob	L J Schmitz
M A Chaney	B J Kelly	D A Tannock
J M Cleland	P W Knowles	I P Thomson
A Coles	T J R Kuzman	G T Tilbrook
P J C Davis	F G D Landels	M J Vitlich
B J H Denison	B J Larking	M J Wedgwood
P R Durham	D Lawler	P Wickham
M G Evans	D J McMahon	J H Wilson
J J Fane de Salis	T T Morgan	
E Fraunschiel	D C Mossop	

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 10 December 1999 (1999: 12 November 1998).

- (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 2000.

	2000	1999
	No.	No.
Aggregate number of shares acquired under the dividends investment plan	–	45,034
Aggregate number of shares acquired under the Wesfarmers employee share plan	–	400,500
Aggregate number of shares held	1,663,829	1,882,686

38 Subsequent events

Since the end of the financial year the company has:

- (a) Acquired a 13.04% interest in IAMA Limited for \$16.4 million by way of a share placement; and
- (b) Signed an agreement to sell its woodchip, plantation services operations and plantation assets for \$58 million, which is in line with the current book value of the assets.

The financial effect of each of the above events has not been recognised at 30 June 2000.

directors' report

WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

The information appearing on pages 2 to 29 forms part of the directors' report for the year ended 30 June 2000 and is to be read in conjunction with the following information:

Results and dividends

Operating profit

	2000	1999
	\$000	\$000
Consolidated operating profit after income tax	207,770	180,101
Less outside equity interests	741	660
Operating profit after income tax attributable to members of Wesfarmers Limited	207,029	179,441

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 2000:

(a) out of the profits for the year ended 30 June 1999 on the fully-paid ordinary shares as disclosed in last year's directors' report:		
fully franked final dividend of 42 cents per share paid on 27 October 1999	112,791	
(b) out of the profits for the year ended 30 June 2000 on the fully-paid ordinary shares:		
(i) fully franked interim dividend of 25 cents per share paid on 17 April 2000	66,391	
(ii) fully franked final dividend of 48 cents per share declared by the directors for payment on 26 October 2000	126,570	

Principal activities

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

- fertilisers and chemicals manufacture;
- gas processing and distribution;
- coal mining and production;
- building materials, hardware retailing and forest products;
- rural merchandise and services;
- transport; and
- insurance.

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.

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:

	WESFARMERS LIMITED ORDINARY SHARES	WESTRALIAN FARMERS CO-OPERATIVE LIMITED \$2.00 STOCK UNITS
D J Asimus	2,609	
M A Chaney	600,427	3,711
T R Eastwood	488,149	478,190
T J Flügge	2,964	1,080
E Fraunschiel	354,484	250,000
L A Giglia	6,444	12,957
J P Graham	95,893	4,331
K P Hogan	4,913	2,617
R D Lester	12,308	212
D E W Nuttall	22,913	43,256
J M Paterson	11,310	10,919
C H Perkins	27,642	89,306
D C White	6,845	3,617

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 to the extent of borrowings for primary production purposes, negotiated in the normal course of the company's business and other than 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 and provided in respect of the company's investment in the Gresham Private Equity Fund; on normal commercial terms.

Insurance of directors and officers

During or since the end of the financial year, the company has paid or agreed to pay a premium in respect of a contract insuring all the directors and officers against a liability incurred in their role as directors and officers of the entity, except where:

- the liability arises out of conduct involving a wilful breach of duty; or
- there has been a contravention of sections 232(5) or (6) of the Corporations Law.

The total amount of insurance contract premiums paid has not been disclosed due to a confidentiality clause in the insurance contract.

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 \$725,000. 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:

	ANNUAL EMOLUMENTS				Total \$000
	Base ⁽¹⁾ \$000	Short term incentives ⁽²⁾ \$000	Vested portion of long term incentives ⁽³⁾ \$000	Other ⁽⁴⁾ \$000	
Non-executive directors					
C H Perkins	135			74	209
K P Hogan	86				86
D C White	61				61
L A Giglia	59				59
D E W Nuttall	56				56
R D Lester	55				55
D J Asimus	54				54
T R Eastwood	52				52
J M Paterson	52				52
T J Flügge	52				52
J P Graham	52				52
Executive directors					
M A Chaney	751		1,419	304	2,474
W J Murphy	446	140		202	788
E Fraunschiel	452	151		149	752
Executive officers					
J Boros	381	139	1,376	106	2,002
P J Davis	208	66	1,394	33	1,701
R J B Goyder	360	107		213	680
D A Robb	390	96		90	576
D J Beisley	183	56	281	32	552

⁽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).

In July 1999 two executive officers of the company, Messrs H R Ramsay and J F Ring, retired and were paid the total retirement entitlements due to them of \$1,297,000 and \$1,234,000 respectively. In July 2000 an executive director of the company, Mr W J Murphy, was paid the total retirement entitlement due to him of \$1,445,000.

directors' report

WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

Directors' meetings

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

The audit 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 are Messrs D C White (Chairman), L A Giglia, R D Lester and D E W Nuttall.

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 are Messrs C H Perkins and K P Hogan.

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 class orders committee meets as and when required to consider the issues involved and, if appropriate, authorises completion of documentation required under the Australian Securities and Investments Commission Class Orders relieving subsidiaries from producing annual accounts and having them audited. Its members are Messrs C H Perkins, M A Chaney and E Fraunschiel. The class orders committee was not required to meet during the financial year.

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 2000, and the number of meetings attended by each director:

	COMMITTEE MEETINGS			
	BOARD MEETINGS	AUDIT	NOMINATION	COMPENSATION
No. of meetings held:	10	5	1	3
No. of meetings attended by:				
C H Perkins (Chairman)	10		1	3
K P Hogan (Deputy Chairman)	10		1	3
M A Chaney (Managing Director)	10			
D J Asimus	10			3
T R Eastwood	8			3
T J Flügge	9			3
E Fraunschiel	10			
L A Giglia	10	4		3
J P Graham	9			3
R D Lester	10	5		3
W J Murphy	6			
D E W Nuttall	9	5		2
J M Paterson	10			3
D C White	10	5		3

Mr Murphy retired from the board on 15 February 2000, but attended all meetings held during the financial year prior to that date.

Review of operations

The operations of the consolidated entity during the financial year and the results of those operations are reviewed on pages 2 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:

- operating revenue up 12.1 per cent to \$3.5 billion see pages 3 and 6
- operating profit after tax before abnormal items up 9.6 per cent to \$195 million see pages 3 and 6
- dividends paid up 8.4 per cent to \$193 million see pages 3 and 4
- total assets up 23 per cent to \$3.2 billion see page 3
- shareholders' equity up 2.0 per cent to \$1.2 billion see page 3
- net borrowings up 89.3 per cent to \$829 million see page 3
- gearing (net debt to equity) up 85.4 per cent to 67.3 per cent see page 3 and 7
- the company repurchased 8.8 million of its own shares at a total cost of \$108 million (an average of \$12.24 per share), representing about 3.3 per cent of the company's ordinary shares. see page 7
- the company terminated its share buy-back programme in May 2000 at the time of the Curragh coal mine acquisition see page 7
- opening of Bunnings' warehouse stores see pages 8 and 13
- acquisition of the Queensland Curragh coal mine see pages 8 and 17

directors' report

WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

Significant events after the balance date

On 7 July 2000 the company acquired a 13.04 per cent interest in IAMA Limited for \$16.4 million by way of a share placement.

On 22 August 2000 the company announced that agreement had been reached to sell the group's woodchip, plantation services operations and plantation assets to a wholly-owned subsidiary of international trading house Marubeni Corporation. The sale price of \$58 million was in line with the current book value of the assets.

No other 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 6 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 licenses issued by the Environmental Protection Authority, the Department of Minerals and Energy, the Water Corporation, the Department of Health and various other authorities throughout Australia.

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

During the financial year a group subsidiary, Wesfarmers CSBP Limited, was fined \$25,000 on a charge laid by the Department of Minerals and Energy relating to the condition of bunding at the company's Kwinana ammonia plant at the time of a chemical spill that occurred in September 1999. The Department of Environmental Protection is also investigating the chemical spill.

There have been no other 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.

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

Perth, 5 September 2000



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 Law, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2000 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations; 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 31 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 26.

On behalf of the board



C H Perkins
Chairman

Perth, 5 September 2000



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 2000, as set out on pages 34 to 63 and the directors' declaration on page 69. 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 Law including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2000 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



Ernst & Young



G H Meyerowitz

Partner

Perth, 5 September 2000

shareholder information

WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

Substantial shareholders

Substantial shareholder details as at 5 September 2000 were:

HOLDERS OF RELEVANT INTEREST	NUMBER OF ORDINARY SHARES IN WHICH INTEREST HELD
Westralian Farmers Co-operative Limited, its subsidiaries and their associates	133,007,689
Gresham Partners Management Limited and its related bodies corporate and their associates (Gresham Partners Management Limited is the manager of The Franked Income Fund)	137,580,901

Both substantial shareholders have a relevant interest in the shares which are held in the company by WFCL Investments Pty Ltd. The difference in their holding is due to the difference in their associates and the date of lodgement of their notices.

Unlisted share

Westralian Farmers Co-operative Limited is the holder of one \$1 redeemable founders share.

Voting rights

Ordinary fully-paid shares, carry voting rights of one vote per share. The founders share has voting rights only in exceptional circumstances as stated in the constitution of the company.

Distribution of members and their holdings

SIZE OF HOLDING	NUMBER OF ORDINARY SHAREHOLDERS
1 – 1,000	20,984
1,001 – 5,000	16,619
5,001 – 10,000	1,833
10,001 – 100,000	1,062
100,001 – and over	79
	40,577

There were 355 holders of less than a marketable parcel of ordinary shares.
Less than one per cent of shareholders have registered addresses outside Australia.

Twenty largest shareholders

The twenty largest holders of ordinary shares in the company as at 5 September 2000 were:

NAME	NUMBER OF SHARES	% OF ISSUED CAPITAL (*)
WFCL Investments Pty Ltd	128,496,471	48.7
Chase Manhattan Nominees Limited	6,415,354	2.4
Permanent Trustee Australia Limited	6,119,148	2.3
Queensland Investment Corporation	4,424,014	1.7
National Nominees Limited	3,700,118	1.4
Commonwealth Custodial Services Limited	3,191,907	1.2
AMP Life Limited	2,696,691	1.0
Westpac Custodian Nominees Limited	2,655,462	1.0
Citicorp Nominees Pty Limited	1,628,956	0.6
Australian Foundation Investment Company Limited	1,396,430	0.5
ANZ Nominees Limited	1,258,786	0.5
MLEQ Nominees Pty Limited	1,057,000	0.4
GIO Personal Investment Services Limited	978,812	0.4
Commonwealth Life Limited	839,244	0.3
Argo Investments Limited	693,814	0.3
Transport Accident Commission	627,130	0.2
MLC Limited	600,105	0.2
Fleet Nominees Pty Limited	600,001	0.2
AMP Nominees Pty Limited	511,355	0.2
Michael Alfred Chaney	502,142	0.2

* The percentage holding of the twenty largest shareholders was 63.7 per cent.

ten year financial history

FOR THE YEAR ENDED 30 JUNE 2000 – WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

(All figures in \$ millions unless shown otherwise)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Summarised profit and loss										
Sales revenue	3,358	2,818	2,727	2,601	2,435	2,427	2,282	1,704	1,260	930
Other operating revenue	137	301	96	109	78	86	118	39	23	23
Operating revenue	3,495	3,119	2,823	2,710	2,513	2,513	2,400	1,743	1,283	953
Operating profit before depreciation, net interest paid and income tax	445	388	380	344	274	288	267	218	190	148
Depreciation and amortisation (excluding goodwill)	118	113	102	102	93	86	73	66	58	42
Net interest paid	23	17	12	16	20	16	14	21	25	27
Income tax expense (excluding abnormals)	101	73	92	78	58	58	59	48	40	29
	203	185	174	148	103	128	121	83	67	50
Outside equity interests	(1)	(1)	(1)	–	(1)	(1)	(17)	(10)	(3)	–
Operating profit after income tax before abnormal items and goodwill amortisation	202	184	173	148	102	127	104	73	64	50
Goodwill amortisation	(7)	(7)	(7)	(7)	(8)	(3)	(2)	(2)	(1)	–
Operating profit before abnormal items	195	177	166	141	94	124	102	71	63	50
Abnormal items (net of tax)	12	2	–	(1)	(1)	3	37	3	–	(14)
Operating profit after income tax attributable to members of Wesfarmers Limited	207	179	166	140	93	127	139	74	63	36
Capital and dividends										
Ordinary shares on issue (number)	264	262	251	240	229	220	198	192	187	183
Paid up ordinary capital	892	950	860	716	624	561	360	320	290	270
Ordinary dividends paid or declared	193	178	165	138	84	107	81	56	49	26
Dividend per 50 cent ordinary share	73.0c	67.0c	66.0c	58.0c	37.0c	48.0c	41.0c	29.0c	26.0c	14.5c
Percentage franked	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Financial performance										
Before abnormal items and goodwill amortisation										
Earnings per 50 cent ordinary share (weighted average)	75.7c	71.9c	70.6c	63.2c	45.4c	60.5c	53.6c	38.2c	35.1c	28.0c
Before abnormal items										
Earnings per 50 cent ordinary share (weighted average)	73.0c	69.1c	67.6c	60.2c	42.0c	59.1c	52.5c	37.2c	34.4c	27.9c
Return on average ordinary shareholders' funds	16.0%	15.0%	15.2%	14.8%	10.9%	17.3%	18.4%	14.9%	14.8%	12.4%
Net interest cover – profit basis (times)	13.6	15.8	22.5	14.8	8.6	12.2	13.7	7.1	5.3	4.0
Net interest cover – cash basis (times)	18.9	22.9	31.6	21.6	13.6	17.6	19.1	10.3	7.6	5.5
Income tax expense (effective rate)	34.2%	29.1%	35.6%	35.5%	37.7%	31.6%	33.0%	37.2%	37.4%	36.4%
After abnormal items										
Earnings per 50 cent ordinary share (weighted average)	77.6c	69.8c	67.6c	59.6c	41.3c	60.6c	71.6c	39.2c	34.1c	19.7c
Return on average ordinary shareholders' funds	17.0%	15.1%	15.2%	14.7%	10.8%	17.7%	25.1%	15.7%	14.7%	8.8%
Net interest cover – profit basis (times)	13.6	15.9	22.5	14.7	8.3	12.7	15.9	6.6	5.2	3.1
Net interest cover – cash basis (times)	18.9	23.0	31.6	21.5	13.3	18.1	21.2	9.8	7.6	4.6
Income tax expense (effective rate)	30.0%	28.7%	35.6%	35.7%	36.4%	32.8%	24.7%	35.9%	37.4%	35.4%
Financial position as at 30 June										
Total assets	3,169	2,576	2,374	2,058	2,005	1,932	1,693	1,358	1,257	982
Total liabilities	1,937	1,369	1,204	1,046	1,111	1,097	950	743	699	572
Net assets	1,232	1,207	1,170	1,012	894	835	743	615	558	410
Outside equity interests in controlled entities	6	1	2	1	1	6	130	117	109	–
Shareholders' equity attributable to members of Wesfarmers Limited	1,226	1,206	1,168	1,011	893	829	613	498	449	410
Net tangible asset backing per 50 cent ordinary share	\$4.13	\$3.96	\$4.06	\$3.58	\$3.21	\$3.01	\$3.06	\$2.54	\$2.35	\$2.21
Net financial debt to net tangible assets	75.6%	41.1%	34.3%	28.5%	51.3%	55.8%	23.0%	40.3%	46.7%	65.9%
Net financial debt to equity	67.3%	36.3%	29.9%	24.2%	42.1%	44.8%	23.4%	39.2%	45.3%	65.0%
Total external liabilities/total tangible assets*	62.2%	54.1%	53.3%	54.9%	59.5%	61.6%	55.7%	53.7%	54.4%	56.1%
Stock market capitalisation as at 30 June	3,507	3,568	3,012	3,000	1,737	1,965	1,699	1,112	1,103	675

*Excluding project financing

The above financial history has been prepared using the accounting policies and presentation adopted for the year ended 30 June 2000.