



Director's Report

for the year ended 30 September 2001

Principal activities

The AWB Group is Australia's major national and international grains marketing organisation. AWB Limited is the parent company of the AWB Group which includes AWB (International) Limited, AWB (Australia) Limited, Agrifood Technology Pty Ltd, AWB Research Pty Ltd, AWB Finance Limited, AWB Asia Limited, Dimboola Grain Centre Pty Ltd, AWB Riskassist Limited and AWB (U.S.A.) Limited.

AWB Limited acts as a principal and as an agent and manager of pools in the grains industry. In addition, AWB Limited has investments in the supply chain and is a major provider of working capital to farmers.

Registered office

528 Lonsdale Street
Melbourne, Victoria, 3000.

Dividends

A fully franked final dividend of 8 cents per share was approved by the board on 28 November, 2001 and is payable on 4 January 2002. All dividends paid or provided for will be fully franked at the current tax rate of 30%. The 2000 final dividend of \$53.1 million and the 2001 half-year dividend of \$33.8 million were paid to shareholders during the period.

Review and results of operations

	\$'000	2001	2000
Consolidated entity profit after tax and outside equity interest for the financial year		83,670	63,260

The AWB Group announced a solid result for the financial year, which was in line with expectations. The major contributions to profit continue to be from the provision of finance, grain acquisition and trading services to growers.

Significant improvements in margins were generated during the year of this report due to favourable market conditions, such as changes in localised supply and demand conditions both between futures exchanges and between futures exchanges and Australian export wheat values.

Significant changes in the state of affairs

AWB Limited listed on the Australian Stock Exchange (ASX) on 22 August 2001. An additional 31.8 million shares were issued under the Public Share Offer representing 12% of the issued capital of AWB Limited.

The main purpose of listing AWB was to provide existing B class shareholders with the ability to freely trade their shares at a fair value in a liquid market. As part of the listing, AWB raised additional capital through the issue of shares to retail and institutional investors (through the Public and Institutional Offers). The main purposes of raising the additional capital was to facilitate a better informed and more liquid market for its shares and to fund the future development of AWB businesses. In particular:

- to enable AWB to broaden the range of financial services offered, to increase the range of products offered to its customers and to expand its customer base to include growers of grains other than wheat and to end-user customers;
- to expand overseas operations and revenue through, for example, investments in overseas milling operations; and
- to expand domestic operations and revenue through, for example, investments in supply chain assets.

The financial year ended 30 September 2001 also saw the announcement by the Minister for Agriculture that the AWB Group would retain the Single Desk for wheat exports. The AWB board is pleased with the outcome.

Significant events after the balance date

Since 30 September 2001, no matter or circumstance has arisen that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

Likely developments and expected results

The consolidated entity will continue to pursue new opportunities in Australia and overseas which show promise in adding value. The directors believe, on reasonable grounds, that AWB would be likely to be unreasonably prejudiced if the directors were to provide more information than there is in the annual report or the financial report about:

- the likely developments in AWB operations; or
- the expected results of these operations in the future.

Environmental regulation and performance

The consolidated entity's operations are subject to various Commonwealth, State and Territory environmental legislation and regulation. There is no environmental regulation specific to the consolidated entity. The board is not aware of any significant environmental breaches during the financial year.

Indemnification and insurance

The constitution of AWB Limited provides an indemnity for all current and previous company directors, secretary and executive officers. The company indemnifies these people to the maximum extent permitted by law for any liabilities or expenses incurred in defending any proceedings where judgement is given in the person's favour. The indemnity does not, however, cover conduct involving a lack of good faith.

A Deed of Access, Indemnity and Insurance was entered into between the company and each director during the period which provides that the company will maintain a directors' and officers' insurance policy. The deed also provides an indemnity to the maximum extent permissible by law to the director for any liabilities incurred as a director, other than liabilities to the company or a related body corporate, or liabilities arising out of conduct involving lack of good faith.

Director's Report (continued)

for the year ended 30 September 2001

A directors' and officers' insurance policy is maintained, however, the terms of the contract prohibit disclosure of the amount of the premium. During or since the end of the financial year, no director, officer or auditor had recourse to the indemnity or insurance.

Share options

Unissued shares

As at the date of this report, there were no unissued ordinary shares under option, and to date, no such options have been granted.

Shares issued as a result of the exercise of options

During or since the end of the financial year there have been no shares issued as a result of the exercise of options.

Options granted to directors and any of the five most highly paid officers

During or since the end of the financial year there have been no options granted to any director and/or any of the five most highly remunerated officers of the company as part of their remuneration.

Directors' and other officers' emoluments

Remuneration policy

The Remuneration Committee of the board of directors is responsible for reviewing and recommending remuneration and performance of the chief executive officer, the performance appraisal policy and any employee share plans and superannuation policies. The remuneration and performance of the executive team is assessed by the chief executive officer on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality executive team.

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

Emoluments of directors of AWB Limited

Director	Base fee \$	Superannuation \$	Bonus \$	Other \$	Total \$
Trevor Flügge	89,500	14,320		66,523	170,343
Andrew Lindberg*	466,468	31,039	60,000	2,493	560,000
Robert Barry	40,000	3,200			43,200
Ian Cush	40,000	3,200			43,200
Laurie Marshall	40,000	3,200			43,200
Warrick McClelland	40,000	3,200			43,200
Christopher Moffet	40,000	3,200			43,200
Kerry Sanderson	40,000	3,200			43,200
Brenda Shanahan	40,000	3,200			43,200
Michael Shanahan	40,000	3,200			43,200
John Simpson	40,000	3,200			43,200
Brendan Stewart	40,000	3,200			43,200
John Thame	40,000	3,200			43,200
Total	995,968	80,559	60,000	69,016	1,205,543

*AWB Limited was listed on the ASX on 22 August 2001. The prospectus indicated that Mr Lindberg would receive a payment of \$250,000 on the successful listing subject to performance criteria. These criteria were achieved after balance date and will be paid in the next financial year.

Emoluments of the five most highly paid executive officers of AWB Limited and the consolidated entity

Executive	Base fee \$	Superannuation \$	Bonus \$	Other \$	Total \$
Paul Ingleby	315,008	20,822	92,850	14,857	443,537
Tim Goodacre	274,245	8,513	84,000	17,242	384,000
Peter Geary	200,700	31,878	51,123	29,301	313,002
Jill Gillingham	195,165	79,013	10,000	2,716	286,894
Charles Stott	208,715	8,513	49,434	2,772	269,434
Total	1,193,833	148,739	287,407	66,888	1,696,867

Notes:

The terms 'director' and 'officer' have been treated as mutually exclusive for the purposes of this disclosure.

Director's Report (continued)

for the year ended 30 September 2001

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Director	Board Meetings		Audit Committee		Corporate Risk Committee Meeting		Remuneration Committee Meeting		Compliance Committee		Listing / Due Diligence Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Trevor Flügge	12	12	6	6	10	10	5	5	-	-	13	13
Andrew Lindberg	12	12	6	6	9	9	5	4	1	1	15	15
Robert Barry	12	12	6	6	-	-	-	-	-	-	11	11
Ian Cush	12	12	-	-	-	-	-	-	-	-	-	-
Ian Donges	-	-	-	-	-	-	-	-	3	3	-	-
Wayne Gibson	-	-	-	-	-	-	-	-	7	7	-	-
Laurie Marshall	12	12	-	-	10	10	-	-	1	1	-	-
Warrick McClelland	12	12	6	6	-	-	-	-	-	-	13	13
Christopher Moffet	12	12	6	6	10	10	-	-	-	-	-	-
Kerry Sanderson	11	11	5	5	-	-	5	5	-	-	-	-
Brenda Shanahan	10	10	-	-	9	9	-	-	-	-	17	17
Michael Shanahan	12	12	-	-	-	-	-	-	-	-	-	-
John Simpson	12	12	-	-	-	-	5	5	4	4	-	-
Clinton Starr	-	-	-	-	-	-	-	-	7	7	-	-
Brendan Stewart	12	12	-	-	-	-	5	5	-	-	12	12
John Thame	12	12	6	6	-	-	-	-	-	-	14	14

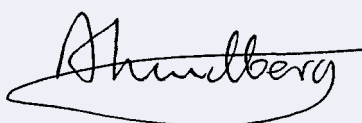
Rounding

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. Amounts in this report have been rounded off in accordance with that class order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the directors.



Trevor Flügge AO
Chairman



Andrew Lindberg
Director

Melbourne
28 November 2001

Statements of Financial Performance

for the year ended 30 September 2001

	\$'000	Notes	Consolidated		AWB Limited	
			2001	2000	2001	2000
Revenue from ordinary activities		2	1,956,781	1,758,728	515,553	428,659
Cost of sales			(1,608,108)	(1,474,564)	(301,086)	(262,582)
Employee benefits expense			(63,214)	(50,591)	(60,609)	(47,156)
Depreciation and amortisation expenses		2	(8,028)	(5,590)	(6,448)	(4,806)
Borrowing costs		2	(95,887)	(89,855)	(12,599)	(4,370)
Other expenses from ordinary activities			(61,405)	(42,471)	(49,613)	(34,809)
Share of net profits of associates accounted for using the equity method		9	2,460	2,897	-	-
Profit from ordinary activities before income tax expense			122,599	98,554	85,198	74,936
Income tax expense		3	(38,439)	(34,844)	(10,660)	(13,590)
Net profit from ordinary activities after income tax expense			84,160	63,710	74,538	61,346
Net profit attributable to outside equity interests		23	(490)	(450)	-	-
Net profit attributable to members of AWB Limited			83,670	63,260	74,538	61,346
Net exchange differences on translation of foreign controlled entity		22	(29)	15	-	-
Total changes in equity other than those resulting from transactions with owners as owners			83,641	63,275	74,538	61,346
Basic earnings per share (cents per share)		37	34.1	26.2		
Diluted earnings per share (cents per share)		37	34.1	26.2		

Statements of Financial Position

for the year ended 30 September 2001

	\$'000	Notes	Consolidated		AWB Limited	
			2001	2000	2001	2000
Current assets						
Cash assets		26(b)	62,636	4,545	45,389	2,252
Receivables		4	1,518,585	1,596,330	632,827	638,757
Inventories		5	122,112	77,681	-	-
Other financial assets		6	108,461	20,932	19,093	2,893
Other		7	20,869	15,205	1,517	125
Total current assets			1,832,663	1,714,693	698,826	644,027
Non-current assets						
Receivables		8	5,195	8,204	105,195	108,204
Investments accounted for using the equity method		9	12,961	9,710	-	-
Other financial assets		10(a)	6,224	6,166	14,663	13,290
Intangibles		12	188	161	129	101
Property, plant and equipment		13	105,534	60,643	42,005	31,465
Deferred tax assets		14	20,318	19,297	11,003	2,884
Total non-current assets			150,420	104,181	172,995	155,944
Total assets			1,983,083	1,818,874	871,821	799,971
Current liabilities						
Payables		15	126,192	109,817	72,297	74,996
Interest-bearing liabilities		16	1,031,771	959,927	22,346	16,542
Current tax liabilities		17	16,751	31,549	3,525	15,355
Provisions		18	28,684	69,645	27,549	68,386
Total current liabilities			1,203,398	1,170,938	125,717	175,279
Non-current liabilities						
Provisions		19	1,433	1,193	1,433	1,193
Deferred tax liabilities		20	27,233	17,808	8,720	39
Total non-current liabilities			28,666	19,001	10,153	1,232
Total liabilities			1,232,064	1,189,939	135,870	176,511
Net assets			751,019	628,935	735,951	623,460
Equity						
Contributed equity		21	700,836	607,195	700,836	607,195
Reserves		22(a)	15,055	15,084	15,000	15,000
Retained profits		22(b)	33,978	5,996	20,115	1,265
Parent entity interest			749,869	628,275	735,951	623,460
Outside equity interest						
Contributed equity			185	185	-	-
Retained profits			965	475	-	-
Total outside equity interest		23	1,150	660	-	-
Total equity		24	751,019	628,935	735,951	623,460

Statements of Cash Flows

for the year ended 30 September 2001

	\$'000	Notes	Consolidated		AWB Limited	
			2001	2000	2001	2000
Cash flows from operating activities						
Receipts from customers			1,791,275	1,291,083	482,285	216,073
Loans advanced to growers			(1,982,141)	(1,967,314)	-	-
Repayments on Harvest Payment advances		26(e)	-	847,875	-	847,875
Repayments on grower loans			2,085,594	750,000	-	-
Interest received			137,204	133,317	41,933	33,925
Dividends received			182	153	182	153
Goods and services tax received			205,923	-	24,911	-
Borrowing costs			(95,887)	(90,755)	(12,599)	(4,370)
Payments to suppliers and employees			(1,984,068)	(1,459,198)	(443,149)	(269,291)
Income taxes paid			(44,093)	(5,801)	(21,931)	(2,025)
Net cash flows from/(used in) operating activities		26(a)	113,989	(500,640)	71,632	822,340
Cash flows from investing activities						
Payments for property, plant and equipment			(44,629)	(36,486)	(22,143)	(4,334)
Proceeds from sale of property, plant and equipment			92	478	92	478
Proceeds from /(placement of) short term deposits & securities (net)			(88,527)	601,509	(17,572)	9,567
Net cash flows from/(used in) investing activities			(133,064)	565,501	(39,623)	5,711
Cash flows from financing activities						
Proceeds from issues of ordinary shares			98,575	-	98,575	-
Payment of share issue and listing costs			(6,286)	-	(6,286)	-
Borrowings from related parties			4,806	541,029	4,561	2,559
Borrowings from /(repayments to) non-related parties			69,737	(619,983)	3,944	(839,316)
Dividends paid			(86,966)	-	(86,966)	-
Net cash flows from/(used in) financing activities			79,866	(78,954)	13,828	(836,757)
Net increase/(decrease) in cash held			60,791	(14,093)	45,837	(8,706)
Cash at the beginning of the financial year			(868)	13,225	(3,161)	5,545
Closing cash carried forward		26(b)	59,923	(868)	42,676	(3,161)

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

1 Summary of significant accounting policies

Basis of Accounting

This general purpose financial report has been prepared in accordance with accounting standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information has been represented or reclassified where appropriate to ensure comparability with the current reporting period.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by AWB Limited (parent entity) as at 30 September 2001 and the results of all controlled entities for the year then ended. AWB Limited and its controlled entities together are referred to in this financial report as the consolidated entity.

The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statement of financial performance and statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the net profits or losses of associates is recognised as revenue in the consolidated statement of financial performance, and its share of movements in reserves is recognised in consolidated reserves. Associates are those entities over which the consolidated entity exercises significant influence but not control.

Pool Payments to Growers

With the cessation of the Federal Government underwriting from 1 July 1999, the funding and underwriting of harvest payments continue to be undertaken by the AWB Group. Funding and underwriting services are provided through the harvest payment loan provided by AWB Finance Limited.

As in previous years, the pooling activities of the AWB Group have not been consolidated into the results of AWB Limited as the risks and benefits associated with these activities are not retained within the AWB Group.

Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

Recoverable Amount of Non-Current Assets

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed their recoverable amount, assets are written down to their recoverable amounts. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market-determined risk-adjusted discount rate.

Revaluation of Non-Current Assets

Until 30 September 2000, land and buildings were revalued at three yearly intervals to reflect independent assessments of fair market value. Upon applying AASB 1041 *Revaluation of Non-Current Assets*, the AWB Group has elected to revert to the cost basis for measuring each class of non-current asset. For the purposes of transitioning to a cost basis, the existing revalued carrying amounts as at 1 October 2000 were deemed to be their cost. The changed policy has not had a material effect in the current or prior financial year.

Foreign Currencies

Transactions in foreign currencies are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the AWB Group that are outstanding at balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the year.

Except for certain specific hedges, all resulting exchange differences arising on settlement or restatement are brought to account in determining the profit or loss for the year. Transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the contract.

Specific hedges

- Foreign exchange

Where a purchase or sale is specifically hedged, foreign exchange gains or losses on hedging transactions arising up to the date of the purchase or sale, and costs, premiums and discounts relative to the hedging transaction are included with the purchase or sale. Foreign exchange gains or losses arising from the hedge transaction after the sale or purchase are taken to the statement of financial performance and offset against underlying revenues.

- Commodity and interest rate

Exchange gains and losses on derivatives (futures, options and swap contracts) are accounted for on the same basis as the underlying exposures they are hedging. Accordingly, hedge gains and losses are included in the statement of financial performance when the gains and losses on the related exposures are recognised in the statement of financial performance.

Foreign controlled entity

As the foreign controlled entity is self-sustaining, its assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while its revenue and expenses are translated at the average of rates ruling during the year. Exchange differences arising on translation are taken to the foreign currency translation reserve.

Inventories

Inventories are valued at the lower of cost or net realisable value (see also note 5).

Investments

Short-term investments held for resale are brought to account on a market value basis. Negotiable securities which are intended to be held until maturity and have a redemption value are stated at cost plus interest accrued on a straight line basis.

Long-term investments are stated at cost. Where the cost exceeds the recoverable amount, the investment is written down to this recoverable amount.

Research and Development Expenditure

Research and development expenditure incurred during the year is charged against revenue, except where future benefits directly recoverable are expected, beyond any reasonable doubt, to exceed those costs.

Revenue Recognition

Sales

Revenue from sales made on commercial terms is recognised when title for the commodity transfers to the purchaser. In the case of export sales, the bill of lading (shipment) date is taken as transaction date unless title is to pass at a materially different time.

Interest

AWB Limited earns interest on its harvest payment loans to growers. Interest is recognised on a time proportionate basis over the course of the loan term.

Underwriting fee

The underwriting fee charged to growers is a fee for the service of providing a guaranteed pool return (GPR). The guaranteed pool return provided by this service is a percentage of the estimated pool return at a point in time (for 00/01, the GPR was 80% and for 01/02, the GPR is 81.8%). Underwriting revenue is recognised consistent with the pattern of the incidence of risk covered by the service provided.

Income Tax

Income tax expense is calculated at current rates on the accounting profit adjusted for permanent differences. Future income tax benefits and liabilities arising because some items are included in accounting profit in a period different from that in which the items are assessed for income tax are included in the statement of financial position as a non-current asset and non-current liability respectively.

As provided for in Australian Accounting Standard AASB 1020: *Accounting for Income Tax*, these deferred tax balances have been offset where applicable.

The income tax expense for the year is calculated using the 34% tax rate, and the deferred tax balances have been adjusted for the corporate tax rate of 30% for the tax year 2001-02 and thereafter.

Earnings Per Share

Basic earnings per share is determined by dividing the profit from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by dividing the profit from ordinary activities after related income tax expense adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial year.

Depreciation of Property, Plant and Equipment

Depreciation is provided on a straight line basis for all property, plant and equipment other than freehold land from the date at which the asset becomes available for use. Depreciation charges are calculated to allocate cost or valuation, less estimated residual value at the end of the useful lives of the assets against revenue over those estimated useful lives.

The depreciation rates used for each class of depreciable assets are:

- buildings	2.5%
- plant and equipment	10% to 33%

Non-current Assets Constructed by the Consolidated Entity

The cost of non-current assets constructed by the AWB Group includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of overheads.

Intangible Assets

Goodwill

On acquisition of some, or all, of the assets of another entity, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill and will be amortised so that it is recognised as an expense in the statement of financial performance on a straight line basis over a period of twenty years or the expected useful life.

Licence fees

Costs associated with licence fees are deferred and amortised on a straight line basis over the period of their expected benefit.

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

1 Summary of significant accounting policies (continued)

Joint Ventures

Joint venture operation

The proportionate interests in the assets, liabilities and expenses of joint venture operations are incorporated in the financial statements under the appropriate headings. Details of the joint venture interests are set out in note 11.

Employee Entitlements

Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of their terms of employment and statutory requirements. The provision calculations include all employee related on-costs and are based on total remuneration packages. This method of calculating provisions provides a result that is materially correct in accordance with AASB 1028: *Accounting for Employee Entitlements*.

In respect of the consolidated entity's accumulation fund, any contributions made to the superannuation funds by entities within the consolidated entity are charged against profits when due.

Share Capital

Ordinary share capital is recognised at the fair value of the consideration received by AWB Limited. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Details of contributed equity are set out in note 21.

Website Costs

Costs in relation to websites controlled by the AWB Group are charged as expenses in the period in which they are incurred unless they relate to the acquisition of assets, in which case they will be capitalised and amortised over the period of their expected benefit. On-going maintenance costs have been expensed whilst costs incurred in building or enhancing the web site, to the extent that they represent probable future economic benefits controlled by AWB that can be reliably measured, will be capitalised.

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000

2 Profit from ordinary activities

Profit from ordinary activities before income tax expense includes the following specific expenses:

Amortisation of non-current assets

- goodwill	2	40	-	38
- licence fees	8	1	8	1
	10	41	8	39

Depreciation of non-current assets

- plant and equipment	7,574	5,175	6,136	4,499
- buildings	444	374	304	268
	8,018	5,549	6,440	4,767

Total depreciation and amortisation expenses	8,028	5,590	6,448	4,806
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Bad and doubtful debts expensed/(released)

Trade debtors				
- other persons/bodies corporate	5,329	313	(1)	(3)

Interest expense

- wholly-owned group entities	-	-	11,212	3,031
- other related parties	27,593	25,511	-	-
- other persons/corporations	64,968	63,249	-	1,079

Other borrowing costs

- other persons/corporations	3,326	1,095	1,387	260
Total borrowing costs	95,887	89,855	12,599	4,370

Research and development costs	3,214	3,789	8,808	9,020
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Net loss on disposal of property, plant and equipment	3,863	13	3,863	13
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Rental - operating leases	2,995	2,336	2,484	1,648
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Other provisions

- employee entitlements	3,609	2,873	3,609	2,455
- Grain technology asset disposal costs	500	-	500	-

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

	Consolidated		AWB Limited	
	2001	2000	2001	2000
	\$'000			
2 Profit from ordinary activities (continued)				
Profit from ordinary activities before income tax expense includes the following revenues:				
Revenue from sale of goods				
- other corporations	1,027,691	1,007,607	-	-
- related party	709,829	522,610	345,986	272,352
	1,737,520	1,530,217	345,986	272,352
Management fee revenue				
Related parties				
- wholly-owned group	-	-	37,470	32,925
- other related parties	58,340	53,635	54,262	50,700
	58,340	53,635	91,732	83,625
Dividends				
- wholly-owned group	-	-	35,621	37,778
- other related parties	-	-	177	-
- other corporations	5	153	5	153
	5	153	35,803	37,931
Interest				
Related parties				
- wholly-owned group	-	-	38,043	31,515
- other related parties	12,805	9,438	-	-
Other persons/corporations	124,399	122,980	3,890	2,410
	137,204	132,418	41,933	33,925
Proceeds on sale of non-current assets				
	92	478	92	478
Other revenue				
- underwriting fees	16,681	29,553	-	-
- other	6,939	12,274	7	348
Revenue from ordinary activities	1,956,781	1,758,728	515,553	428,659

3 Income tax

The income tax expense for the year differs from the amount calculated on the profit. The differences are reconciled as follows:

Prima facie tax on profit from ordinary activities	41,685	35,479	28,968	26,977
Tax effect of permanent differences				
Share of profits from associates	(837)	(1,043)	-	-
Rebateable dividends	-	-	(12,121)	(13,600)
Research and development concessions	(688)	(775)	(688)	(775)
Amortisation of intangible assets	3	14	3	14
Deductible privatisation costs not expensed	-	(689)	-	(689)
Under/(over) provision of previous year	(988)	(830)	(1,122)	(1,271)
Tax losses transferred (from)/to controlled entities	-	-	(4,891)	-
Net adjustment to deferred income tax liabilities and assets				
to reflect the decrease in the company tax rate to 34% / 30%	(1,029)	(2)	305	167
Other items (net)	293	2,690	206	2,767
Income tax expense attributable to operating profit	38,439	34,844	10,660	13,590

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000

4 Current assets – receivables

(a) Trade debtors				
- other persons / corporations	38,192	53,102	40	641
- other related parties	367,917	325,502	-	-
Less - provision for doubtful debts	(6,258)	(929)	(1)	(2)
Net trade debtors	399,851	377,675	39	639
Grower loan receivables	1,114,354	1,217,807	-	-
Goods and services tax receivable	4,380	848	4,644	482
Amounts other than trade debts receivable from related parties:				
- wholly-owned group	-	-	619,793	626,657
- other related parties	-	-	8,351	10,979
	-	-	628,144	637,636
	1,518,585	1,596,330	632,827	638,757

(b) All amounts are effectively hedged and there are no material currency exposures.

(c) Terms and conditions relating to the above financial instruments are set out in note 36(a).

5 Current assets – inventories

Non pool grains at lower of cost or net realisable value	123,812	77,681	-	-
Provision for diminution in value	(1,700)	-	-	-
	122,112	77,681	-	-

6 Current assets – other financial assets

Short-term advances, deposits and negotiable securities	90,047	611	10,961	-
Initial margin deposits	9,251	5,933	8,132	2,893
Deferred hedges	9,163	14,388	-	-
	108,461	20,932	19,093	2,893

7 Current assets - other

Prepayments	936	5,426	-	-
Other assets	19,933	9,779	1,517	125
	20,869	15,205	1,517	125

8 Non-current assets - receivables

Trade debtors	5,195	8,204	5,195	8,204
Amount receivable from related party				
- subordinated loan - wholly-owned group	-	-	100,000	100,000
	5,195	8,204	105,195	108,204

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

	Consolidated	
	Carrying amount of investment 2001	Carrying amount of investment 2000
	\$'000	
9. Non-current assets – investments accounted for using the equity method		
Associated companies – unlisted shares:		
(a) Company (ownership interest held by consolidated entity)		
	Principal activities	
Five Star Flour Mills Company (FSFM) SAE (30%)	Operation of a flour and feed mill in Egypt. The company's balance date is 30 June.	12,021
		9,710
Five Star Feed Mills & Animal Production Company SAE (AWB 21%, FSFM 9%)	Construction of an animal feed mill in Egypt. Operations are expected to commence in 2002.	940
		-
Total (note 9 (c))		12,961
		9,710
(b) Share of associates' profits:		2,460
		2,897
(c) Carrying amount of investments in associates:		
Balance at beginning of financial year		9,710
- adjustment to opening carrying value		-
- additions to investment in associates		940
- dividends received from associate		(149)
- share of associates' net profits for the financial year		2,460
		2,897
Carrying amount of investments in associates at the end of the financial year		12,961
		9,710
(d) The consolidated entity's share of the assets and liabilities of associates:		
Current assets		19,568
Non-current assets		26,557
Current liabilities		(18,561)
Non-current liabilities		(12,102)
		(10,781)
Net assets		15,462
		11,296
(e) Amount of retained profits of the consolidated entity attributable to associates		
- balance at beginning of financial year		2,897
- share of associates' net profits for the financial year		2,460
		2,897
- balance at the end of the financial year		5,357
		2,897
(f) Amount of reserves of the consolidated entity attributable to associates		
- balance at beginning of financial year		(882)
- share of associates' reserves		337
		(882)
- balance at the end of the financial year		(545)
		(882)

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000

10. Non-current assets – other financial assets

Other financial assets at cost comprise:

(a) Unlisted shares

- controlled entities	-	-	310	310
- other companies	6,224	6,166	14,353	12,980
	6,224	6,166	14,663	13,290

(b) Investment in controlled entities

Name	Country of incorporation	Percentage of equity interest held by the consolidated entity	
		2001 %	2000 %
ACN 089 443 407 Pty Ltd	Australia	100	100
Agrifood Technology Pty Ltd	Australia	100	100
Australian Wheat Board Pty Limited	Australia	100	100
AWB Asia Limited	Hong Kong	100	100
AWB (Australia) Limited	Australia	100	100
AWB (International) Limited	Australia	100	100
AWB (U.S.A.) Limited	USA	100	100
AWB Finance Limited	Australia	100	100
AWB Riskassist Limited (formerly AWB Finance No. 2 Limited)	Australia	100	100
AWB MPT Pty Ltd	Australia	100	100
AWB Research Pty Ltd	Australia	100	100
AWB-Zenoh Limited	Japan	51	51
Ceres Gold Pty Limited	Australia	100	100
Corgrain Pty Limited	Australia	100	100
Dimboola Grain Centre Pty Ltd	Australia	100	100
United Grain Pty Ltd	Australia	100	100

(c) Entities subject to class order relief

Pursuant to Class Order 98/1418, relief has been granted to AWB Finance Limited and AWB (Australia) Limited from the Corporations Act 2001 requirements for preparation, audit and lodgement of their financial reports. As a condition of the class order, AWB Limited, AWB Finance Limited, AWB (Australia) Limited and Dimboola Grain Centre Pty Ltd entered into a Deed of Cross Guarantee on 20 September 2001. The effect of the deed is that AWB Limited has guaranteed to pay any deficiency in the event of winding up of any of these controlled entities.

By entering into the deed, these wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report. The above companies represent a 'Closed Group' for the purposes of the class order. Separate consolidated financial statements have not been prepared for the closed group as they are not materially different from the full AWB Limited consolidated financial statements. In addition, the extended closed group is not materially different from the closed group.

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

11 Interests in entities which are not subsidiaries or associates

Joint venture operations

Name	Principal activity	Interest
Centre Agreement: CRC for Quality Wheat Products and Processes	Operation of the "Cooperative Research Centre for Quality Wheat Products and Processes" to deliver the principal objectives of the CRC Program.	4.3%
Cereal Breeding – Research and Funding Agreement	To undertake research projects with the aim of breeding and developing new proprietary varieties. The first research project has the aim to breed, develop and commercialise varieties of feed wheat with improved nutrition, agronomic performance, resistance to plant diseases and well adapted to specified growing areas in Australia.	33.3%
Stored Grain Research Laboratory	To undertake the funding, management and commercialisation of outputs of the Stored Grain Research Laboratory.	14.3%
Graingene Agreement	Refer below	33.3%
Australian Independent Commodity Handlers - AICH (trading as Melbourne Port Terminal)	Refer below	50.0%

The consolidated entity's interests in the assets employed in the joint venture operations are included in the statement of financial position in accordance with the accounting policy described in note 1. AWB Limited's share of the assets employed in joint venture operations, other than the Melbourne Port Terminal, is not material and therefore has not been separately disclosed.

Melbourne Port Terminal (AICH)

AWB Limited has a 50% interest in a storage and handling facility for a joint venture operation, called Australian Independent Commodity Handlers. The role of AWB in this joint venture is one of administration and part financing for the facility. AWB Limited does not participate in the operation of the terminal.

Graingene

AWB Limited has a 33.33% interest in a joint venture operation called Graingene. The principal activity of this operation is to generate intellectual property and germplasm.

Assets in these joint ventures are included in the financial statements as follows:

\$'000	AWB Limited	
	2001	2000
Share of joint venture assets	17,734	18,423

Capital expenditure commitments and contingent liabilities in respect of the joint ventures are disclosed in notes 33 and 35 respectively.

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000
Goodwill	29	29	-	-
Less - provision for amortisation	(3)	(1)	-	-
	26	28	-	-
Licence fees	170	134	137	102
Less - provision for amortisation	(8)	(1)	(8)	(1)
	162	133	129	101
	188	161	129	101

12 Non-current assets – intangibles

Goodwill	29	29	-	-
Less - provision for amortisation	(3)	(1)	-	-
	26	28	-	-
Licence fees	170	134	137	102
Less - provision for amortisation	(8)	(1)	(8)	(1)
	162	133	129	101
	188	161	129	101

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000

13 Non-current assets – property, plant and equipment

Freehold land				
At cost	4,737	194	2,942	-
At directors' valuation - 30 September 2000	-	2,942	-	2,942
	4,737	3,136	2,942	2,942
Buildings on freehold land				
At cost	12,454	3,243	8,481	-
At directors' valuation - 30 September 2000	-	4,366	-	4,366
At independent valuation - 30 June 1999	-	4,750	-	4,750
Provision for depreciation	(444)	(452)	(304)	(337)
	12,010	11,907	8,177	8,779
Total freehold land and buildings	16,747	15,043	11,119	11,721
Leasehold improvements				
At cost	255	51	255	51
At directors' valuation - 30 June 1999	-	301	-	301
Provision for amortisation	(84)	(97)	(84)	(97)
	171	255	171	255
Total land and buildings	16,918	15,298	11,290	11,976
Plant and equipment				
At cost	96,106	38,336	36,767	11,812
At directors' valuation - 30 June 1999	-	12,710	-	12,710
Provision for depreciation	(7,490)	(5,701)	(6,052)	(5,033)
Total plant and equipment	88,616	45,345	30,715	19,489
Total property, plant and equipment				
At cost	113,552	41,824	48,445	11,863
At directors' valuation - 30 September 2000	-	7,308	-	7,308
At directors' valuation - 30 June 1999	-	13,011	-	13,011
At independent valuation - 30 June 1999	-	4,750	-	4,750
	113,552	66,893	48,445	36,932
Provision for depreciation	(8,018)	(6,250)	(6,440)	(5,467)
Total written down amount	105,534	60,643	42,005	31,465

Valuations

Prior to 30 September 2000, property, plant & equipment were revalued at three yearly intervals. This policy has been changed to comply with AASB 1041 *Revaluation of Non-Current Assets*. AWB has elected to revert to the cost basis for measuring each class of non-current asset.

For the purposes of transitioning to a cost basis, the existing revalued carrying amounts as at 1 October 2000 were deemed to be their cost.

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

	\$'000	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Total
13 Non-current assets – property, plant and equipment (continued)						
(a) Reconciliations						
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the year and previous financial year are set out below						
Consolidated - 2001		3,136	11,896	255	45,356	60,643
Reclassification of opening balance		-	319	-	(319)	-
Additions		1,601	539	-	55,926	58,066
Disposals		-	-	-	(3,957)	(3,957)
Writedown		-	(300)	-	(900)	(1,200)
Depreciation / amortisation expense (Note 2)		-	(444)	(84)	(7,490)	(8,018)
Carrying amount at end of year		4,737	12,010	171	88,616	105,534
Consolidated - 2000		2,942	10,538	629	18,319	32,428
Additions		194	3,243	-	32,319	35,756
Disposals		-	(11)	(356)	(124)	(491)
Writedown		-	(1,500)	-	-	(1,500)
Depreciation / amortisation expense (Note 2)		-	(374)	(18)	(5,158)	(5,550)
Carrying amount at end of year		3,136	11,896	255	45,356	60,643
Parent entity - 2001		2,942	8,779	255	19,489	31,465
Additions		-	2	-	22,135	22,137
Disposals		-	-	-	(3,957)	(3,957)
Writedown		-	(300)	-	(900)	(1,200)
Depreciation / amortisation expense (Note 2)		-	(304)	(84)	(6,052)	(6,440)
Carrying amount at end of year		2,942	8,177	171	30,715	42,005
Parent entity - 2000		2,942	10,538	629	18,319	32,428
Additions		-	20	-	5,775	5,795
Disposals		-	(11)	(356)	(124)	(491)
Writedown		-	(1,500)	-	-	(1,500)
Depreciation / amortisation expense (Note 2)		-	(268)	(18)	(4,481)	(4,767)
Carrying amount at end of year		2,942	8,779	255	19,489	31,465

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000

14 Non-current – deferred tax assets

Future income tax benefit	20,318	19,297	11,003	2,884
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This future income tax benefit will only be obtained if:

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

15 Current – payables

Trade creditors	48,075	32,869	34,777	19,535
Other creditors	78,117	76,948	37,520	55,461
	126,192	109,817	72,297	74,996

Australian dollar equivalents of amounts payable in foreign currencies are all effectively hedged.

16 Current liabilities – interest bearing liabilities

Unsecured

- loans from related parties - wholly-owned group	-	-	4,561	2,559
- loans from related parties - other related parties	679,538	674,732	-	-
- financial liabilities	32,474	25,808	15,072	8,570
- overdraft	2,713	5,413	2,713	5,413
- bank loans	317,046	253,974	-	-
	1,031,771	959,927	22,346	16,542

Further information on each of the above liabilities is set out in note 36.

17 Current liabilities – current tax liabilities

Income tax	16,751	31,549	3,525	15,355
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18 Current liabilities – provisions

Employee entitlements	6,319	5,769	5,184	4,510
Dividends	21,865	53,142	21,865	53,142
Restructure	-	10,734	-	10,734
Other	500	-	500	-
	28,684	69,645	27,549	68,386

19 Non-current liabilities – provisions

Employee entitlements	1,433	1,193	1,433	1,193
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20 Non-current liabilities – deferred tax liabilities

Deferred income tax liability	27,233	17,808	8,720	39
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Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

	Consolidated		AWB Limited	
	2001	2000	2001	2000
	\$'000			
21 Contributed equity				
a) Issued and paid up capital				
Ordinary shares fully paid	700,836	607,195	700,836	607,195

			Number of shares	\$'000

b) Movements in ordinary share capital:

Movements in "B" class share capital during the period were as follows:

1 October 2000 - Opening balance		241,556,320	607,195
Issued during the year			
- public equity raising (at \$3.15 per share)		31,038,100	97,770
- existing shareholder raising (at \$2.85 per share)		282,600	805
- employee share scheme (at \$3.15 per share)		429,300	1,352
less transaction costs		-	(6,286)
30 September 2001 - closing balance		273,306,320	700,836

	Consolidated		AWB Limited	
	2001	2000	2001	2000
	\$'000			

22 Reserves and retained profits

(a) Reserves

Underwriting loss reserve	15,000	15,000	15,000	15,000
Foreign currency translation	55	84	-	-
	15,055	15,084	15,000	15,000

Movement in reserves:

Balance at beginning of year	15,084	69	15,000	-
Transfer from retained profits	-	15,000	-	15,000
Gain (loss) on translation of overseas controlled entity recognised in the statement of financial performance	(29)	15	-	-
Balance at end of year	15,055	15,084	15,000	15,000

The nature and purpose of these reserves is described in accounting policy note 1.

(b) Retained Profits

Retained profits at the beginning of the financial year	5,996	10,878	1,265	8,061
Net profit attributable to members of AWB Limited	83,670	63,260	74,538	61,346
Transfer to underwriting loss reserve	-	(15,000)	-	(15,000)
Dividend provided for or paid (note 25)	(55,688)	(53,142)	(55,688)	(53,142)
Retained profits at the end of the financial year	33,978	5,996	20,115	1,265

23 Outside equity interest

Interest in:

Contributed equity	185	185	-	-
Retained profits - opening balance	475	25	-	-
Retained profits - current year	490	450	-	-
	1,150	660	-	-

	Consolidated		AWB Limited		
	\$'000	2001	2000	2001	2000
24 Equity					
Total equity at the beginning of the financial year		628,935	625,404	623,461	615,257
Total changes in equity recognised in the statement of financial performance		83,641	63,275	74,538	61,346
Transactions with owners as owners:					
Contributions of equity, net of transaction costs		93,641	-	93,640	-
Growers' residual interest payments		-	(7,052)	-	-
Dividend provided for or paid (note 25b)		(55,688)	(53,142)	(55,688)	(53,142)
Total changes in outside equity interest		490	450	-	-
Total equity at the end of the financial year		751,019	628,935	735,951	623,461

25 Dividends

(a) Dividends proposed

Franked dividends (8 cents per share) (2000: 22 cents)	21,865	53,142	21,865	53,142
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(b) Dividends paid during the year

Current year interim				
Franked dividends (14 cents per share) (2000: nil)	33,823	-	33,823	-
	55,688	53,142	55,688	53,142
Previous year final				
Franked dividends (22 cents per share) (2000: nil)	53,142	-	53,142	-

(c) Franking credit balance

The amount of franking credits available for the subsequent financial year are:

- franking account balance as at the end of the financial year			20,267	2,999
- franking credits that will arise from the payment of income tax payable as at the end of the financial year			21,270	25,612
- franking debits that will arise from the payment of dividends as at the end of the financial year			(21,865)	(53,142)
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date			21,551	37,778
			41,223	13,247

The tax rate at which paid dividends have been franked is 34% (2000: nil). Dividends proposed will be franked at the rate of 30% (2000: 34%)

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

	Consolidated		AWB Limited	
	2001	2000	2001	2000
	\$'000			
26 Statement of cash flows				
(a) Reconciliation of the operating profit after tax to the net cash flows from operations				
Profit from ordinary activities after tax	84,160	63,710	74,538	61,346
Non-cash items				
Share of associates' profits	(2,460)	(2,897)	-	-
Dividends received from associates	149	-	-	-
Depreciation of non-current assets	8,018	5,549	6,440	4,767
Amortisation of intangible assets	10	41	8	39
Provision for employee entitlements	3,609	2,873	3,609	2,455
Net loss on disposal of property, plant and equipment	3,863	13	3,863	13
Decrement in value of non-current assets	1,700	-	1,700	-
Provision for doubtful debts	5,329	313	(1)	(3)
Changes in assets and liabilities				
Trade receivables	75,425	(710,105)	8,939	671,755
Inventory	(46,131)	46,950	-	-
Prepayments and other debtors	(4,339)	(1,019)	(67)	14,241
Trade and other creditors	(8,888)	72,138	(16,128)	56,163
Tax provision	(14,798)	26,171	(11,830)	13,183
Deferred income tax liability	9,425	17,564	8,681	(201)
Future income tax benefit	(1,020)	(14,904)	(8,120)	(1,417)
Reserves	(63)	15	-	-
Growers' residual interest	-	(7,052)	-	-
Net cash flow from/(used in) operating activities	113,989	(500,640)	71,632	822,341
(b) Reconciliation of cash				
Cash balance comprises:				
- cash on hand	62,636	4,545	45,389	2,252
- bank overdraft	(2,713)	(5,413)	(2,713)	(5,413)
Closing cash balance	59,923	(868)	42,676	(3,161)

(c) Bank overdraft facility

The consolidated entity has a bank overdraft facility available to the extent of \$70,202,000 (2000 \$65,390,000). The parent entity has a bank overdraft facility available to the extent of \$61,093,000 (2000 \$56,718,000).

(d) Non-cash financing and investing activities

- AWB listed on 22 August 2001. An Employee Share Offer was made to employees of AWB who were eligible employees as at the closing date of the offer. AWB offered eligible employees an interest-free loan (fully repayable at the end of 5 years, or if the employee leaves AWB or sells the shares) to fund the acquisition of up to 1000 shares. The value of shares purchased under this plan was \$1,352,295 (note 21(b)).

- In accordance with the change in accounting policy during 1998/1999 in relation to pool activities, all pool activity continues to be excluded from the statement of financial position of the AWB Group.

(e) Repayments on Harvest Payment advances

Receipts from customers in the 2000 financial year include an \$847.9 million cash inflow resulting from the repayment of the traditional 80% harvest payment advances to growers for the 1999–2000 season. Subsequent to this season, the harvest loan option was introduced.

27 Financing facilities

	Currency	Facility Limit Local Currency 2001	Consolidated Facility Limit 2001	Balance Undrawn 2001	Facility Limit Local Currency 2000	Consolidated Facility Limit 2000	Balance Undrawn 2000
	A\$'000						
Credit facilities available at balance date are as follows:							
Committed credit facilities:							
CBA overdraft	AUD	25,000	25,000	22,287	25,000	25,000	25,000
Bill facility/market rate cash advance	AUD	-	-	-	200,000	200,000	200,000
Liquidity support	AUD	350,000	350,000	350,000	-	-	-
Liquidity support	USD	25,000	51,366	51,366	-	-	-
Total committed			426,366	423,653		225,000	225,000
Uncommitted credit facilities:							
BNY overdraft	USD	22,000	45,202	45,202	22,000	40,389	34,976
U.S. commercial paper program	USD	1,500,000	3,081,981	2,768,441	1,500,000	2,753,809	2,716,772
Domestic commercial paper program	AUD	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,795,129
Euro commercial paper program	USD	1,500,000	3,081,981	3,081,981	1,500,000	2,753,809	2,753,809
Total uncommitted			8,209,164	7,895,624		7,548,007	7,300,686
Total facilities			8,635,530	8,319,277		7,773,007	7,525,686

	Consolidated		AWB Limited	
\$'000	2001	2000	2001	2000

28 Remuneration of directors

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are directors or any related party:

	1,700,413	1,596,294	1,205,543	1,196,316
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The number of directors of AWB Limited whose income (including superannuation contributions) falls within the following bands is:

	2001	2000
\$10,000 - \$19,999	-	2
\$20,000 - \$29,999	-	3
\$40,000 - \$49,999	11	8
\$100,000 - \$109,999	-	1
\$170,000 - \$179,999	1	-
\$220,000 - \$229,999	-	1
\$400,000 - \$409,999	-	1
\$560,000 - \$569,999	1	-
	13	16

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000

29 Remuneration of executives

Remuneration received or due and receivable by executive officers of the consolidated entity whose remuneration is \$100,000 or more, from the company or any related party, in connection with the management of the affairs of the company or any related party, whether as an executive officer or otherwise:

3,022,305	6,986,207	3,022,305	6,986,207
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The number of executives of the consolidated entity and the company whose remuneration falls within the following bands:

	2001	2000
\$120,000 - \$129,999	1	-
\$130,000 - \$139,999	-	1
\$170,000 - \$179,999	1	-
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	1	1
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	1	-
\$280,000 - \$289,999	1	-
\$310,000 - \$319,999	1	-
\$320,000 - \$329,999	-	1
\$370,000 - \$379,999	-	1
\$380,000 - \$389,999	1	-
\$390,000 - \$399,999	-	1*
\$400,000 - \$409,999	-	1
\$440,000 - \$449,999	1	-
\$530,000 - \$539,999	-	2*
\$560,000 - \$569,999	1	1*
\$700,000 - \$709,999	-	1*
\$740,000 - \$749,999	-	1*
\$1,110,000 - \$1,119,999	-	1*
	10	16

*separation payments in the prior year include contract entitlements (\$2,254,803) and statutory entitlements (\$843,194)

For the purposes of Accounting Standard AASB 1034 the company has interpreted executive officers as being those persons who are members of the executive management group which determines the operational and strategic direction of the entity.

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000

30 Auditors' remuneration

Amounts received or due and receivable by the auditors of AWB Limited for:

- an audit or review of the financial report of the entity and any report of the entity and any other entity in the consolidated entity	523,226	385,000	260,000	196,000
- other services in relation to the entity and any other entity in the consolidated entity	140,000	52,926	140,000	38,310
	663,226	437,926	400,000	234,310

31 Related party disclosures

(a) The directors of AWB Limited at any time during the financial year are as follows:

- Trevor Flügge AO (chairman)
- Andrew Lindberg (chief executive)
- Robert Barry (deputy chairman)
- Ian Cush
- Laurie Marshall
- Warrick McClelland
- Christopher Moffet
- Kerry Sanderson
- Brenda Shanahan
- Michael Shanahan
- John Simpson
- Brendan Stewart
- John Thame

(b) The following related party transactions occurred during the period:

(i) Transactions with related parties in wholly-owned group

In addition to those transactions disclosed in Note 2, AWB Limited entered into the following transactions during the year with related parties in the wholly-owned group:

- loans were advanced and repayments received on short-term intercompany borrowings; and
 - management fees were received from several wholly-owned controlled entities
- Amounts due to and receivable from entities in the wholly-owned group are set out in the respective notes to the financial statements.

(ii) Transactions with other related parties

	Consolidated		AWB Limited		
	\$'000	2001	2000	2001	2000
Borrowing costs expensed					
- wholly-owned group	-	-	11,212	3,031	
- other related parties	27,593	25,511	-	-	
Revenue from sale of goods					
- related party	709,829	522,610	345,986	272,352	
Management fee revenue					
- wholly-owned group	-	-	37,470	32,925	
- other related parties	58,340	53,635	54,262	50,700	
Dividends					
- wholly-owned group	-	-	35,621	37,778	
- other related parties	-	-	177	-	
Interest revenue					
- wholly-owned group	-	-	38,043	31,515	
- other related parties	12,805	9,438	-	-	
Loans advanced to / receivables from:					
- wholly-owned group	-	-	619,793	626,657	
- associates	972	2,559	972	2,559	
- other investments	3,163	719	3,163	719	
- other related parties	367,917	325,502	8,351	10,979	
Loans advanced from:					
- wholly-owned group	-	-	4,561	2,559	
- other related parties	679,538	674,732	-	-	
Amount receivable from related party					
- subordinated loan - wholly-owned group	-	-	100,000	100,000	

Terms and conditions

Interest is charged or credited on amounts with AWB Limited at prevailing commercial interest rates. All other transactions within the AWB Limited consolidated entity are based on actual amounts incurred or received and are conducted on commercial terms and conditions.

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

31 Related party disclosures (continued)

	Consolidated		AWB Limited		
	\$'000	2001	2000	2001	2000
(iii) Transactions with the directors of AWB Limited and the consolidated entity					
The remuneration of directors is set out in note 28.					
Harvest Payment loans made to directors		631,438	-	-	-
Other loans made to directors		1,575	-	-	-
(iv) Transactions with director-related entities					
Purchases					
Messrs. Barry, Moffet, Cush, Gibson, Flügge, Marshall, McClelland, Donges (2001 only), Simpson, M. Shanahan, Stewart (2000 only)		5,044,224	3,213,067	407,800	270,000

The above transactions were conducted with director-related entities under normal commercial terms with conditions no more favourable than those available to other suppliers and customers.

Mrs Kerry Sanderson is chief executive and general manager of the Fremantle Port Authority. A major portion of the Western Australia harvest was shipped through the Port of Fremantle. All transactions with this authority were in the ordinary course of business on normal commercial terms and conditions.

(c) AWB Limited is the ultimate parent entity.

(d) Equity instruments of directors

(i) Interests in the equity instruments of entities in the consolidated entity held by directors of the reporting entity and their director-related entities at balance date, being the number of instruments held:

Director	Number	AWB Limited	
		A Class	B Class
Trevor Flügge		1	20,921
Andrew Lindberg		-	20,000
Robert Barry		1	40,579
Ian Cush		1	69,091
Laurie Marshall		1	15,390
Warrick McClelland		1	63,035
Christopher Moffet		1	91,277
Kerry Sanderson		-	-
Brenda Shanahan		-	-
Michael Shanahan		1	2,823
John Simpson		1	79,672
Brendan Stewart		1	15,425
John Thame		-	-
		9	418,213

(ii) Movements in directors' equity holdings:

2001

The equity holdings of Andrew Lindberg, Ian Cush and John Simpson increased during the year.

2000

During the prior year, directors' equity holdings were affected by the resignation of Andrew Inglis and Geoffrey Johnson and by the appointment of Ian Cush and Michael Shanahan as directors. The holdings of Laurie Marshall and John Simpson increased during the prior year.

(e) All financial benefits provided by AWB Limited or its controlled entities to related parties (other than benefits approved at a general meeting) were provided on arm's length terms. Transactions relating to shares and options of the company, including the payment and receipt of dividends, were on the same basis as similar transactions with other shareholders.

32 Segment information – primary segment

(a) Business segments

2001

\$'000	Finance & risk management products	National pool management services	Grain aquisition and trading	Grain technology	Supply chain and other investments	Other / corporate	Intersegment eliminations	Consolidated total
Revenue								
Revenue from customers outside the consolidated entity	290,956	9,340	1,250,436	7,917	397,826	66,231	(72,864)	1,949,842
Intersegment revenues	64,827	-	5,239	8,357	-	33,392	(111,815)	-
Other revenue	-	-	1,260	4,282	1,388	9	-	6,939
Total consolidated revenue	355,783	9,340	1,256,935	20,556	399,214	99,632	(184,679)	1,956,781
Results								
Consolidated entity profit from ordinary activities before income tax	84,834	9,340	49,949	(6,740)	13,882	(28,666)	-	122,599
Income tax expense								38,439
Net profit attributable to members of AWB Limited								84,160
Assets								
Segment assets	1,974,510	-	439,613	6,327	93,612	699,005	(1,229,984)	1,983,083
Total assets								1,983,083
Liabilities								
Segment liabilities	1,971,197	-	405,205	10,261	74,725	1,241	(1,230,565)	1,232,064
Total liabilities								1,232,064
Other segment information:								
Equity method investments included in segment assets					12,961			12,961
Aquisition of property, plant and equipment and other non-current assets					36,019	22,047		58,066
Depreciation and amortisation				557	1,578	5,893		8,028
Non-cash expenses other than depreciation and amortisation	7			1,700	5,322	3,609		10,638

Segment information – secondary segment

(b) Geographical segments

AWB Limited and its controlled entities operate predominantly in one geographical segment, being Australia.

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

32 Segment information – primary segment (continued)

(a) Business segments

2000

\$'000	Finance & risk management products	National pool management services	Grain aquisition and trading	Grain technology	Supply chain and other investments	Other / corporate	Intersegment eliminations	Consolidated total
Revenue								
Revenue from customers outside the consolidated entity	308,796	10,116	977,781	6,914	405,937	99,032	(62,122)	1,746,454
Intersegment revenues	45,313	-	8,025	8,905	-	32,925	(95,168)	-
Other revenue	121	-	503	4,248	296	7,106	-	12,274
Total consolidated revenue	354,230	10,116	986,309	20,067	406,233	139,063	(157,290)	1,758,728
Results								
Consolidated entity profit from ordinary activities before income tax	94,520	10,116	15,450	(4,423)	3,010	(20,119)	-	98,554
Income tax expense								34,844
Net profit attributable to members of AWB Limited								63,710
Assets								
Segment assets	1,448,452	-	270,868	6,998	57,528	800,345	(765,317)	1,818,874
Total assets								1,818,874
Liabilities								
Segment liabilities	1,486,835	-	260,678	6,857	54,239	177,784	(796,454)	1,189,939
Total liabilities								1,189,939
Other segment information:								
Equity method investments included in segment assets					9,710			9,710
Aquisition of property, plant and equipment and other non-current assets					29,940	5,816		35,756
Depreciation and amortisation				1	782	4,807		5,590
Non-cash expenses other than depreciation and amortisation			313	728		4,373		5,414

32 Segment information – secondary segment

(b) Geographical segments

AWB Limited and its controlled entities operate predominantly in one geographical segment, being Australia.

\$'000	Consolidated		AWB Limited	
	2001	2000	2001	2000

33 Expenditure commitments

At 30 September, AWB Limited had contracted for but not provided in the financial report:

(i) Grain sales

Contracts for the sale of grain not later than one year but subject to variation of +/-10% outturn tolerance

266,304	244,637	-	-
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(ii) Grain purchases

Contracts for the purchase of grain not later than one year subject to variation for quality characteristics

360,009	187,311	-	-
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In addition to these specific contracts, AWB Limited operates pools throughout the year into which any grower may deliver without prior notice, provided that the grain meets receival standards as to quality and hygiene.

(a) Capital expenditure commitments

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

- Payable not later than one year

- joint venture	3,200	2,345	3,200	2,345
- other	10,389	-	-	-

- Payable later than one year but not later than five years

- joint venture	10,500	2,270	10,500	2,270
- other	731	-	731	-

24,820	4,615	14,431	4,615
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(b) Lease expenditure commitments

Operating leases (non-cancellable)

- Payable not later than one year

1,972	1,627	1,861	1,469
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- Payable later than one year but not later than five years

1,547	1,575	1,363	1,298
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3,519	3,202	3,224	2,767
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These lease commitments represent payments due for motor vehicles and regional and overseas offices under an operating lease.

Operating leases have an average lease term of 3 years.

(c) Other expenditure commitments

- Payable not later than one year

1,980	2,250	1,980	2,250
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- Payable later than one year but not later than five years

1,400	3,080	1,400	3,080
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3,380	5,330	3,380	5,330
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Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

34 Employee entitlements and superannuation commitments

	\$'000	Consolidated		AWB Limited	
		2001	2000	2001	2000
Employee entitlements					
The aggregate employee entitlement liability is comprised of:					
- Provisions		7,752	6,962	6,617	5,702

	Number	Consolidated		AWB Limited	
		2001	2000	2001	2000
Number of employees at the end of the year		484	423	484	423

Employee share offer

An employee share offer was made to employees of AWB who were eligible employees as at the closing date of the offer. AWB offered eligible employees an interest-free loan (fully repayable at the end of 5 years, or if the employee leaves AWB or sells the shares) to fund the acquisition of up to 1000 shares (refer to note 21).

Superannuation commitments

All employees are able to choose where their superannuation contributions are directed in line with AWB packaging policy and Australian Taxation Office rules. AWB also offers a default fund, AWB Staff Superannuation Plan, which is a subset of the Mercer Retirement Trust for all other employees. As all schemes are accumulation schemes, AWB has no future superannuation liabilities to report.

35 Contingent liabilities

	\$'000	Consolidated	
		2001	2000
Litigation claims			
Several claims for damages and costs were lodged against AWB Limited and its controlled entities which denied liability and defended the claims. The maximum damages/costs claimed were estimated to amount to:		2,210	6,616

36 Financial instruments

36(a) Terms, conditions and accounting policies

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

Recognised financial instruments	Notes	Accounting policies	Terms and conditions
(i) Financial assets			
Cash, short-term deposits	6,26	Interest on cash deposits is recognised in the statement of financial performance as interest income when earned.	At balance date, 16% of the AWB Group's cash was held at call in AUD denominated bank accounts. The AWB Group operates multiple foreign currency cheque accounts with remaining funds "at call" in AUD, USD, CAD and DEM.
Trade and other receivables	4,8	Trade and other debtors are carried at nominal amount due less provision for doubtful debts. Provisions for doubtful debts are recognised when collection of the full nominal amount is no longer probable.	General provisioning for doubtful debts occurs at a rate of 2.5% of trade receivables. Specific provisions are raised for items specifically designated as potentially unrecoverable. Foreign currency denominated items are brought to account at year end exchange rates. Terms of trade receivables are generally to require settlement within 30 days. Credit risk is managed through dealing with a large range of customers and obtaining credit insurance for certain customers.
Discount securities	6	Discount securities are brought to account at their purchase price plus accrued interest. Foreign currency denominated securities are valued at the period end exchange rate using their discounted values.	AUD discount securities include negotiable certificates of deposits, promissory notes and bank accepted bills. The maturity profile of these discount securities extend out to November 2001.
Initial margin deposits	6	Initial margin deposits are recorded at foreign currency value and converted into AUD at the period end exchange rate. Interest income is derived on all initial margin deposits and recorded in profit and loss when earned.	Interest income is received on all credit balances held with various futures exchanges.
Deferred hedges	6	Deferred hedges are the net of all open specific and effective foreign currency and commodity hedge deals outstanding at balance date translated at the year end exchange rate. Profit and loss is deferred on the statement of financial position until deal maturity.	The statement of financial position reflects unamortised gains and losses arising from the use of forward foreign exchange contracts and derivatives to hedge future foreign currency exposures and commodity derivatives to hedge commodity exposures.

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

36 Financial instruments (continued)

36(a) Terms, conditions and accounting policies (continued)

Recognised financial instruments	Notes	Accounting policies	Terms and conditions
(i) Financial assets (continued)			
Unlisted shares	10	Unlisted equities are carried at their acquisition cost or book value. Foreign currency shares are translated at period end exchange rates.	Details of unlisted equities are contained in Note 10 - Non-current assets - other financial assets.
Fixed interest securities	6	Commonwealth and Semi Government Bonds are recorded at their market value as at balance date. US government notes, debentures and mortgage backed fixed interest securities are recorded at their market value at year end.	Terms and conditions are dependent upon the instrument selected. There were no fixed interest securities held by the AWB Group at year end.
(ii) Financial liabilities			
Bank overdrafts	16,26	Bank overdrafts are recorded at face value outstanding at balance date. Interest costs relating to the overdraft are expensed as incurred.	Overdraft interest is only incurred when debit balances exceed credit balances on a group basis. The average overdraft rate at year end was AUD 8.35%.
Trade and other creditors	15	A liability is recorded for amounts to be paid at a future date for goods and services received.	Creditors are aged between zero and 90 days with an average settlement duration of 30 days.
Borrowings	16,27	Commercial paper borrowings are recorded at face value at time of drawdown. Interest expense relating to the borrowing is amortised over the life of the borrowing.	Commercial borrowings for the year were at an average cost of AUD 5.53%. The maturity profile of these borrowings extends to December 2001.
(iii) Derivatives			
Foreign currency contracts		The AWB Group enters into both spot and forward foreign currency contracts. Relevant statement of financial position balances relating to these contracts are revalued monthly as per AASB 1012. Gains/losses on matured deals are offset against export sales revenue in the statement of financial performance.	At balance date, the AWB Group had agreed to net purchases of AUD 371.4 million in exchange for net sales of USD 189.9 million. The effective exchange rate on the foreign exchange portfolios at year end is USD 0.5112. Further, the AWB Group had agreed to net purchases of AUD 21.3 million in exchange of net sales of CAD 17.7 million. The effective exchange rate on the foreign exchange portfolios at year end is CAD 0.8305. The maturity profile of these foreign currency contracts extends to April 2003.

	Notes	Accounting policies	Terms and conditions
Unrecognised financial instruments			
Foreign currency options		Premiums on foreign currency options purchased for hedging purposes are deferred in the statement of financial position and amortised over the life of the hedge period.	At balance date, the face value of call options purchased was USD 12 million at an average exchange rate of 0.5189. The maturity profile of these foreign currency options extends out to April 2002.
Interest rate swaps and forward rate agreements		The AWB Group enters into interest rate swap and forward rate agreements with the view to minimising interest rate expense on borrowed funds. Interest rate swaps are not revalued to market and net receipts/payments are recognised as an adjustment to interest expense on borrowings.	There were AUD 50 million (face value) of swap agreements and AUD 40 million (face value) of forward rate agreements outstanding at balance date. The maturity profile of the swap agreements extends out to October 2006 and the forward rate agreements extend out to March 2002.
Interest rate options - exchange traded options (ETO) and over the counter (OTC)		Premiums on interest rate options purchased for hedging purposes are deferred in the statement of financial position and amortised over the life of the hedge period.	The net open position (face value) of interest rate options at balance date was a short position of AUD 135 million. The maturity profile of these positions extends out to October 2006.
Commodity options		Premiums on AUD and USD commodity options purchased/sold for hedging purposes are deferred in the statement of financial position and amortised over the life of the hedge period.	At balance date the AWB Group held a portfolio of AUD and USD options on commodity futures which assist in locking in forward sale prices for grower production on agricultural commodities. The net open position at balance date was sold options of AUD 6.25 million. The maturity profile of these commodity options contracts extends to March 2002.
Interest rate futures		Interest rate futures contracts are marked to market daily with unrealised positions deferred in the statement of financial position until maturity or closeout. Gains and losses on settlement are offset against interest expense or cost of sales.	Bank bill futures contracts open at balance date hedged interest rate exposure to the net value of AUD 60 million. The maturity profile of these interest rate futures contracts extends to June 2002.
Commodity futures		Commodity futures contracts are marked to market daily with unrealised positions deferred in the statement of financial position until maturity of closeout. Gains and losses on settlement are offset against cost of sales.	The AWB Group uses commodity futures extensively to lock in sales prices on agricultural commodities transacted. Major exposures being hedged include wheat, sorghum and canola. The net open position at balance date was sold futures contracts with a face value of AUD 180.24 million. The maturity profile of these commodity futures positions extends to November 2002.

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

36 Financial instruments (continued)

36(b) Interest rate risk

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

Financial Instruments	Floating interest rate		1 year or less		Fixed interest rate maturing in:		More than 5 years	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	Over 1 to 5 years 2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Financial Assets								
Cash Assets	62,636	4,545	-	-	-	-	-	-
Short Term Deposits	90,047	-	-	-	-	-	-	-
Receivables	1,114,354	1,217,807	-	-	-	-	-	-
Discount Securities	11,000	4,996	-	-	-	-	-	-
Unlisted Shares	-	-	-	-	-	-	-	-
Initial Margin Deposits	9,251	5,933	-	-	-	-	-	-
Deferred Hedges	-	-	-	-	-	-	-	-
Derivatives & Unrecognised Financial Assets								
Foreign Currency Contracts	-	-	-	-	-	-	-	-
Foreign Currency Options	-	-	-	-	-	-	-	-
Commodity Futures	-	-	-	-	-	-	-	-
Commodity Options	-	-	-	-	-	-	-	-
Commodity Swaps	-	-	-	-	-	-	-	-
Interest Rate Swaps	-	-	-	-	25,000	-	25,000	-
Interest Rate Options	25,000	85,000	240,000	-	-	-	50,000	-
Interest Rate Futures	-	1,000	-	-	-	-	-	-
Total Financial Assets	1,312,288	1,319,281	240,000	-	25,000	-	75,000	-
Financial Liabilities								
Bank Overdraft	2,713	5,413	-	-	-	-	-	-
Trade and Other Creditors	-	-	-	-	-	-	-	-
Interest bearing liabilities	-	-	1,029,058	954,514	-	-	-	-
Derivatives & Unrecognised Financial Liabilities								
Foreign Currency Contracts	-	-	-	-	-	-	-	-
Foreign Currency Options	-	-	-	-	-	-	-	-
Commodity Futures	-	-	-	-	-	-	-	-
Commodity Options	-	-	-	-	-	-	-	-
Interest Rate Swaps	50,000	3,121	-	-	-	-	-	-
Forward Rate Agreements	-	40,000	-	-	-	-	-	-
Interest Rate Options	375,000	165,000	75,000	-	-	-	-	-
Interest Rate Futures	60,000	60,000	-	-	-	-	-	-
Total Financial Liabilities	487,713	273,534	1,104,058	954,514	-	-	-	-
Net Financial Assets/(Liabilities)	824,575	1,045,747	(864,058)	(954,514)	25,000	-	75,000	-

- (a) As these financial instruments are not recognised in the financial statements, no carrying amount is recognised. Hence, this disclosure is not applicable.
- (b) The disclosure of effective interest rates is not applicable to currency and commodity financial instruments.

2001 \$'000	Non-interest bearing 2000 \$'000	Total carrying amount as per the statement of financial position		2001 %	Weighted average effective interest rate		2000 %
		2001 \$'000	2000 \$'000		AUD 2000 %	USD 2001 %	
-	-	62,636	4,545	4.45	5.28	1.63	5.81
-	-	90,047	-	4.75	n/a	5.29	n/a
404,231	378,523	1,518,585	1,596,330	7.93	8.35	n/a	n/a
-	-	11,000	4,996	4.81	5.56	n/a	n/a
6,224	6,166	6,224	6,166	n/a	n/a	n/a	n/a
-	-	9,251	5,933	3.61	4.14	2.50	6.18
9,163	14,388	9,163	14,388	n/a	n/a	n/a	n/a
3,844,181	782,090	(a)	(a)	(b)	(b)	(b)	(b)
23,146	29,591	(a)	(a)	(b)	(b)	(b)	(b)
95,491	17,019	2,136	(58)	(b)	(b)	(b)	(b)
74,635	84,922	(138)	(4,638)	(b)	(b)	(b)	(b)
5,753	-	-	(a)	-	-	-	-
-	-	-	(a)	-	-	-	-
-	-	(1)	1	4.75	6.48	-	-
-	-	-	1	-	6.22	-	-
4,462,824	1,312,699	1,708,903	1,627,664				
-	-	2,713	5,413	8.35	8.95	6.00	9.50
126,192	109,817	126,192	109,817	n/a	n/a	n/a	n/a
-	-	1,029,058	954,514	5.53	5.77	-	6.12
3,861,804	782,242	(a)	(a)	(b)	(b)	(b)	(b)
23,434	2,900	(a)	(a)	(b)	(b)	(b)	(b)
275,731	188,254	20,831	(7,601)	(b)	(b)	(b)	(b)
80,887	39,040	371	(113)	(b)	(b)	(b)	(b)
-	-	-	(a)	6.06	-	-	6.64
-	-	-	(a)	4.45	6.65	-	-
-	-	197	44	5.39	6.66	-	-
-	-	4	53	4.64	6.70	-	-
4,368,048	1,122,253	1,179,366	1,062,127				
94,776	190,446	529,537	565,537				

Notes

Notes to and forming part of the financial statements for the year ended 30 September 2001

36 Financial instruments (continued)

36(c) Net fair values

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

	Total carrying amount as per statement of financial position		Aggregate net fair value		
	\$'000	2001	2000	2001	2000
Financial Assets					
Cash Assets		62,636	4,545	62,636	4,545
Short Term Deposits		90,047	-	90,047	-
Receivables		1,518,585	1,596,330	1,518,585	1,596,330
Discount Securities		11,000	4,996	11,000	4,996
Unlisted Shares		6,224	6,166	6,224	6,166
Initial Margin Deposits		9,251	5,933	9,251	5,933
Deferred Hedges		9,163	14,388	9,163	14,388
Foreign Currency Contracts		n/a	n/a	(176,748)	(37,790)
Foreign Currency Options		n/a	n/a	199	350
Commodity Futures		2,136	(58)	(675)	535
Commodity Options		(138)	(4,638)	1,738	2,162
Commodity Swaps		n/a	-	190	-
Interest Rate Options		(1)	1	407,502	-
Interest Rate Futures		-	1	-	-
Total Financial Assets		1,708,903	1,627,664	1,939,112	1,597,615
Financial Liabilities					
Bank Overdraft		2,713	5,413	2,713	5,413
Trade creditors and accruals		126,192	109,817	126,192	109,817
Borrowings		1,029,058	954,514	1,029,058	954,514
Foreign Currency Contracts		n/a	n/a	154,845	8,411
Foreign Currency Options		n/a	n/a	(216)	(1,245)
Commodity Futures		20,831	(7,601)	13,087	(2,226)
Commodity Options		371	(113)	(518)	(1,018)
Interest Rate Swaps		n/a	n/a	1,479	-
Forward Rate Agreements		n/a	n/a	(28)	(5)
Interest Rate Options		197	44	38	48
Interest Rate Futures		4	53	(69)	13
Total Financial Liabilities		1,179,366	1,062,127	1,326,581	1,073,722

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

Cash, short term deposits and initial margin deposits: the carrying amount approximates fair value because of their short-maturity profile and liquidity.

Receivables (trade): the carrying amount approximates net fair value, with both values net of specific and general provisioning.

Discount securities: the carrying amount approximates net fair value because of the short maturity profile.

Unlisted shares: the carrying amount approximates fair value.

Deferred hedges: the carrying amount represents the marking to market of all futures related and forward foreign exchange hedges at year end exchange rates.

Trade and other creditors: the carrying amount approximates fair value.

Borrowings: the net fair value closely approximates net fair value given the short duration of the debt portfolio and prevailing market prices at balance date.

36(c) Net fair values (continued)

Foreign currency contracts and options: the net fair value represents the value that would be obtained in a liquid market if these positions were liquidated. Liquidation costs are assumed to be negligible.

Commodity futures and options: the net fair value for commodity futures and exchange traded commodity options is calculated as the value of the variation margin on the last business day of the period. The net fair value for over the counter commodity options represents the value that would be obtained in a liquid market if these positions were liquidated.

Interest rate futures and exchange traded options: the net fair value for interest rate futures and exchange traded options is calculated as the value of the variation margin on the last business day of the period.

Interest rate swaps, over the counter options and forward rate agreements: the net fair value of these instruments represents the value that would be obtained in a liquid market if these positions were liquidated.

In order to manage the price risk associated with the highly volatile price of wheat and other agricultural commodities, the AWB Group uses a combination of financial hedging instruments. Financial products used to hedge commodity risk include options on commodity futures and commodity futures. Futures exchanges in the United States, Canada and Australia are used to hedge commodity exposure of the AWB Group.

Interest rate hedging

If any interest rate exposures arise, the AWB Group will manage these exposures through a number of financial hedges. These include interest rate swaps, forward rate agreements, exchange traded futures contracts and options on futures contracts.

37 Earnings per share

	\$'000	Consolidated	
		2001	2000
Basic earnings per share (cents per share)		34.1	26.2
Diluted earnings per share (cents per share)		34.1	26.2
Reconciliation of earnings used in calculating earnings per share:			
Net profit from ordinary activities after income tax expense		84,160	63,710
Net profit attributable to outside equity interests		(490)	(450)
Net profit attributable to members of AWB Limited		83,670	63,260
<hr/>			
	Number	2001	2000
Weighted average number of ordinary shares used in calculating basic and dilutive earnings per share		245,122,758	241,556,320

38 Subsequent events

(a) 2001

There are no subsequent events which are likely to have a material effect on the entity's financial statements.

(b) 2000

There were no subsequent events which were likely to have a material effect on the entity's financial statements.

Directors' declaration

In accordance with a resolution of the directors of AWB Limited, I state that:

(1) In the opinion of the directors:

(a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the company's and consolidated entity's financial position as at 30 September 2001 and of their performance for the year ended on that date; and
- complying with accounting standards and corporations regulations; and

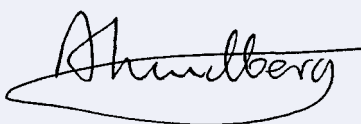
(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(2) In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the companies and parent entity who are party to the deed identified in note 10 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

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



Trevor Flügge AO
Chairman



Andrew Lindberg
Director

Melbourne
28 November 2001

Independent Audit Report



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To the members of AWB Limited

Scope

We have audited the financial report of AWB Limited for the financial year ended 30 September 2001, as set out on pages 51 to 88, including the Directors' Declaration. The financial report includes the financial statements of AWB 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 AWB Limited is in accordance with:

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

Ernst & Young

I. H. Miller
Partner
Melbourne
28 November 2001

AWB Limited ASX Additional Information

Additional information required by the Australian Stock Exchange and not shown in this report is as follows. The information is current as at 17 December 2001.

a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

	Ordinary shares	
	Number of holders	Number of shares
1-1000	30,031	10,728,096
1,001 – 5,000	19,610	48,580,548
5,001 – 10,000	6,758	48,249,461
10,001 – 100,000	6,387	130,350,467
100,001 and over	59	35,397,748
	62,845	273,306,320
The number of shareholders holding less than a marketable parcel of shares are:	8,560	503,026

b) Twenty largest shareholders

The names of the twenty largest shareholders of quoted shares are:

	Ordinary shares	
	Number of shares	Percentage of ordinary shares
1 Graincorp National Pty Ltd	8,711,997	3.19
2 Chase Manhattan Nominees Limited	4,480,058	1.64
3 Queensland Investment Corporation	3,500,000	1.28
4 Westpac Custodian Nominees Limited	1,745,053	0.64
5 HSBC Custodian Nominees (Australia) Limited	1,495,000	0.55
6 National Nominees Limited	1,442,163	0.53
7 Caledonia Investments Limited	1,433,117	0.52
8 UBS Warburg Private Clients Nominees Pty Ltd	1,412,082	0.52
9 Commonwealth Custodial Services Limited	764,824	0.28
10 JP Morgan Custodial Services Pty Ltd	576,179	0.21
11 JP MOrgan Custodial Services Pty Ltd (Equi A/c)	523,821	0.19
12 Equity Trustees Limited (JM Asset Management A/c)	490,976	0.18
13 Cashtree Pty Ltd	441,000	0.16
14 AWB Limited (Loan Scheme Control A/c)	415,300	0.15
15 Abtourk Sydney (391) Pty Ltd	394,000	0.14
16 Mr D. Tweed	363,863	0.13
17 Trust Company of Australia Ltd (Common Fund V6 A/c)	300,000	0.11
18 ANZ Nominees Limited	276,376	0.10
19 Ross Investments (Aust.) Pty Ltd	275,196	0.10
20 Mr D. Tweed & Ms C. Tschernitz (TSS A/c)	272,128	0.10
	29,313,133	10.72

c) Substantial shareholders

There were no substantial shareholders (those holding more than 5% or more of the total votes attached to the voting shares) in the company.

d) Voting rights

AWB's corporate structure consists of two classes of shares:

- **A class shares** which are shares that can only be issued to current wheat growers, cannot be transferred and must be redeemed when the A class shareholder ceases to be a wheat grower. A class shares are not entitled to receive any dividends but give A class shareholders the ability to elect a majority of the board of directors.
- **B class shares** which are the class of shares quoted on the ASX. B class shares carry rights to receive dividends and the right to elect a minority of the board of directors. They can be freely traded between wheat growers and non-growers, subject to no shareholder owning more than 10% of the B class shares on issue.