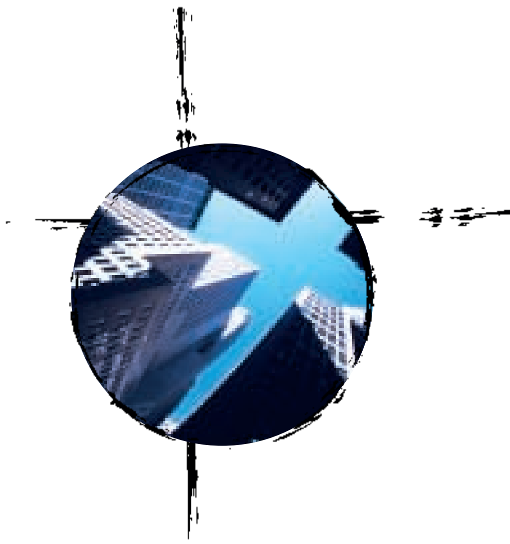
mitsui annual report

creating global partnerships

2003



Mitsui & Co. (Australia) Ltd

ACN 004 349 795

Financial Report for the Financial Year Ended 31 March 2003

annual financial report

for the financial year ended 31 march 2003

message from chairman and managing director

The 12 months ending 31 March 2003 saw a record net profit after tax of $41.2 million, which was substantially contributed to by dividends from iron ore, coal and energy investments. There was strong demand for Australian iron ore and coking coal from North Asia, particularly China.

Trading transactions fell by 15.0% from the previous year to $8,534 million, on a pro-rata basis. The pro-rata adjustments relate to the 15 month term ending March 2002, and the sale of our Precious Metals Division, effective from 1 September 2002. Mitsui Australia has taken a minority stake in the spun out precious metals company, together with Mitsui Japan, USA & UK. The Precious Metals Division in Mitsui Australia engaged in buying, selling and leasing precious metals, mainly gold, and the sale was consistent with Mitsui Tokyo's risk management policies to move such businesses out of trading subsidiaries, such as Mitsui Australia.

Looking forward, the strengthening Australian dollar will negatively impact on Mitsui Australia's profitability as more than 80% of our trading transactions are exports, mainly to North Asia. Consequently, the global economic slow down, is of concern, as is the potential impact of SARS.

We see, however, opportunities to make further investment in Australia in both established industries and new industries. The minerals and energy sectors are very much part of the global market and Mitsui seeks additional quality investments in those areas, particularly coal. As to new industries, sectors such as power generation, food, construction and mining equipment sales and service, biotechnology and nanotechnology are attracting our increasing resources.

In the long term I have strong confidence in Mitsui Australia's performance based on further expansion of our traditional resources business as well as the development of new industries as referred to above. I also wish to be more involved in Australian domestic business so that we can utilize the excellent human resources that Australia offers.

In addition to my strategy of actively promoting trade and investment opportunities in Australia, we continue to seek trade and investment opportunities in Asia, including China, in cooperation with Mitsui Japan and Mitsui's many Asian offices.

Mitsui Australia has long recognized its corporate responsibility to make a meaningful contribution to the betterment of society and, by way of example, for the past 32 years we have fully funded he Mitsui Educational Foundation. MEF sponsors Australian university students to visit Japan each year, and to date nearly 250 students have taken part. The majority of Australia's 38 universities are now eligible to receive MEF travel scholarships and we plan to continue supporting this unique educational activity.

YUJI SATAKE
CHAIRMAN AND MANAGING DIRECTOR

directors' report

The directors of Mitsui & Co. (Australia) Ltd., submit herewith the financial report for the financial year ended 31 March 2003. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

directors

The names and particulars of the directors of the company during or since the end of the financial year are:

Mr Y Satake
Director since 22 June 2001. Joined Mitsui Group in 1969. Currently Managing Director, Mitsui & Co. (Australia) Ltd. Previously General Manager, Foodstuff Administration Division, Mitsui & Co., Ltd, Tokyo Office. Graduated from Kansei Gakuin University, majoring in Law. During the financial year he attended 14 of the 14 directors' meetings held.

Mr F Kawashima
Director since 2 July 2003. Joined Mitsui Group in 1976. Currently Deputy Managing Director, Mitsui & Co. (Australia) Ltd and General Manager of Melbourne Office, Mitsui & Co. (Australia) Ltd. Previously Deputy General Manager, Natural Gas First Division, Mitsui & Co., Ltd, Japan. Graduated from Hitotsubashi University, Japan (majoring in International Economics). During the financial year he attended none of the 14 directors' meetings held.

Mr S Unno
Director since 22 June 2001 until his resignation from the Board on 2 July 2003. Joined Mitsui Group in 1973. Most recently Deputy Managing Director, Mitsui & Co. (Australia) Ltd and General Manager, Melbourne Office, Mitsui & Co. (Australia) Ltd. Previously, General Manager, Employee Relations Department/Human Resource Planning Department, Personnel Division, Mitsui & Co., Ltd, Tokyo Office. Graduated from Waseda University, Japan majoring in Politics and Economics. During the financial year he attended 4 of the 14 directors' meetings held.

Mr M Tanaka
Director since 11 November 2002. Joined Mitsui Group in 1972. Currently General Manager, Perth Office, Mitsui & Co. (Australia) Ltd. Previously, Operating Officer, Metals Group, Iron & Steel Raw Materials Unit, Mitsui & Co., Ltd, Tokyo Office. Graduated from Waseda University, Japan majoring in Economics and Politics. During the financial year he attended 2 of the 14 directors' meetings held.

Mr Y Hashimoto
Director since 1 September 1998 until his resignation from the Board on 11 November 2002. Joined Mitsui Group in 1971. Most recently General Manager of Perth Office, Mitsui & Co. (Australia) Ltd. Previously, Deputy General Manager of Mitsui & Co., Ltd, New Delhi Branch. Graduated from Osaka University, Japan majoring in Economics. During the financial year he attended 2 of the 14 directors' meetings held.

Mr T Fujinaga
Director since 11 December 2000 until his resignation from the Board on 14 May 2002. Joined Mitsui Group in 1972. Most recently General Manager, Corporate Planning Division, Mitsui & Co. (Australia) Ltd. Previously, General Manager, Energy Accounting Department, Energy and Chemicals Accounting and Administration Division, Mitsui & Co., Ltd., Tokyo Office. Graduated from Yokohama National University Japan, majoring in Economics. During the financial year he attended 1 of the 14 directors' meetings held.

Mr T Nitta
Director since 11 December 2000. Joined Mitsui Group in 1977. Currently General Manager of Brisbane Office, Mitsui & Co., (Australia) Ltd. Previously Deputy General Manager of Thermal Coal Division, Iron & Steel Raw Materials Group, Mitsui & Co., Ltd Tokyo Office. Graduated from Tokyo Foreign Studies University, Japan majoring in Indo-Chinese Languages & International Relations. During the financial year he attended 4 of the 14 directors' meetings held.

Mr Y Kohata
Director since 14 May 2002. Joined Mitsui Group in 1978. Currently General Manager, Corporate Planning Division, Mitsui & Co. (Australia) Ltd. Previously Secretariat, Mitsui & Co., Ltd Tokyo Office. Graduated from Tokyo University, Japan majoring in Law. During the financial year he attended 14 of the 14 directors' meetings held.

Mr M Yoshioka
Director since 14 May 2002. Joined Mitsui Group in 1978. Currently General Manager, Accounting, Treasury, & Information Systems Division, Mitsui & Co. (Australia) Ltd. Previously, Assistant General Manager, General Accounting Division, Corporate Accounting Department, Mitsui & Co., Ltd, Tokyo Office. Graduated from Keio University, Japan majoring in Economics. During the financial year he attended 14 of the 14 directors' meetings held.

principal activities of the consolidated entity

The consolidated entity's principal activities in the course of the financial year were importing, exporting, investing in resource entities, and the provision of finance to related bodies corporate. There was no significant change in the nature of these activities during the financial year.

During the financial year the entity sold its precious metals business. Details of the sale are contained in note 44 and 39(c).

dividends

The amounts paid or declared by way of dividend by the company since the start of the financial year were:

In respect of the 15 months ended 31 March 2002, as detailed in the directors' report of that financial period, an interim dividend amounting to $3,500,000 fully franked at 30% paid on 28 June 2002.

In respect of the 15 months ended 31 March 2002, as detailed in the directors' report for that financial period, a final dividend amounting to $7,000,000 fully franked at 30% paid on 30 September 2002.

In respect of the financial year ended 31 March 2003, the directors approved an interim dividend amounting to $3,500,000 fully franked at 30% with $3,500,000 paid on 31 March 2003.

In respect of the financial year ended 31 March 2003, the directors approved a final dividend amounting to $31,000,000 fully franked at 30% to be paid on 30 September 2003.

results

A summary of consolidated results is set out below:

	12 months to 31 March 2003 $'000	**15 months to 31 March 2002 $'000**
Trading Transactions	8,534,067	13,471,398
Total Revenue	3,655,411	6,404,132
Profit from ordinary activities before income tax expense	46,127	23,746
Income tax expense relating to ordinary activities	(4,908)	(2,889)
Net profit attributable to members of the parent entity	41,219	20,857

review of operations

Due to a change in balance date in the prior period from 31 December to 31 March, the prior period's results relate to a 15 month period. Total revenue this year fell by 29% compared to annualised total revenue of the prior period mainly due to a reduction in gold sales resulting from disposal of the gold business on 1 September 2002. The consolidated entity, however, recorded a record profit after tax of $41.2 million, representing a $20.4 million increase over the prior period. The increase was mainly attributable to increased dividend income.

changes in state of affairs

During the financial year the entity sold its precious metals business, referred to in notes 44 and 39(c). Apart from this, there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

future developments

The directors believe, on reasonable grounds, that to include in this report particular information regarding likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years would be likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been included in this report.

environmental regulations

The consolidated entity is not subject to any particular or significant environmental regulations under a law of the Commonwealth or of a State or Territory.

indemnification of officers and auditors

During or since the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in this directors' report and in the financial report have been rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of the directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors

M. Yoshioka

M YOSHIOKA
DIRECTOR

Sydney, 29 July 2003

independent audit report

independent audit report to the members of mitsui & co. (australia) ltd

Deloitte Touche Tohmatsu

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cashflows, accompanying notes to the financial statements, and directors' declaration for both Mitsui & Co. (Australia) Ltd (the company) and the consolidated entity, for the financial year ended 31 March 2003 as set out on pages 7 to 39. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

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

Audit approach

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. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Corporations Act 2001 and the Accounting Standards and other mandatory professional reporting 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.

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 made by the directors.

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

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

Independence

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

Audit Opinion

In our opinion, the financial report of Mitsui & Co. (Australia) Ltd 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 31 March 2003 and of their performance for the year ended on that date; and

  ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J H W RIDDELL

Partner
Chartered Accountants
Sydney, 29 July 2003

directors' declaration

The directors declare that:

(a) the attached financial statements and notes thereto comply with Accounting Standards;

(b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company and the consolidated entity;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

(d) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

M. Yoshioka

M YOSHIOKA
DIRECTOR

Sydney, 29 July 2003

statement of financial position

as at 31 march 2003

	NOTE	CONSOLIDATED		COMPANY	
		2003 $'000	2002 $'000	2003 $'000	2002 $'000
Current Assets					
Cash assets		30,769	42,500	5,429	5,733
Receivables	2	355,831	354,352	359,378	283,529
Current tax asset	3	324	–	324	–
Inventories	4	3,689	1,194	3,689	1,194
Other financial assets	5	–	12,526	–	12,526
Other	6	485	293	420	277
Total Current Assets		391,098	410,865	369,240	303,259
Non-Current Assets					
Receivables	7	113,637	82,576	116,556	116,905
Property, plant and equipment	8	11,645	12,513	11,060	11,920
Deferred tax assets	9	3,580	5,229	3,561	5,211
Other financial assets					
Investments	10	191,618	155,248	191,466	155,220
Other	11	–	30,293	–	30,293
Other	12	–	6,572	–	6,572
Total Non-Current Assets		320,480	292,431	322,643	326,121
Total Assets		711,578	703,296	691,883	629,380
Current Liabilities					
Payables	13	159,117	136,762	159,168	136,543
Interest bearing liabilities	14	222,389	199,885	153,567	79,331
Current tax liabilities	15	13	4,059	–	3,749
Provisions	16	31,786	11,242	31,762	11,217
Other	17	91	25,574	78	25,521
Total Current Liabilities		413,396	377,522	344,575	256,361
Non-Current Liabilities					
Payables	18	53,905	46,811	53,905	46,811
Interest bearing liabilities	19	61,976	70,489	113,805	119,875
Deferred tax liabilities	20	3,761	2,171	3,375	1,981
Provisions	21	769	792	743	772
Other	22	–	34,459	–	34,458
Total Non-Current Liabilities		120,411	154,722	171,828	203,897
Total Liabilities		533,807	532,244	516,403	460,258
Net Assets		177,771	171,052	175,480	169,122
Equity					
Contributed equity	24	20,000	20,000	20,000	20,000
Reserves	25	84,939	84,939	84,939	84,939
Retained profits	26	72,832	66,113	70,541	64,183
Total Equity		177,771	171,052	175,480	169,122

Notes to the financial statements are included on pages 11 to 39

statement of financial performance

for the financial year ended 31 march 2003

	NOTE	CONSOLIDATED		COMPANY	
		12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000
Trading transactions	32	8,534,067	13,471,398	8,534,067	13,471,398
Sales revenue (sales of goods and services)	28	3,533,952	6,262,878	3,533,952	6,262,878
Cost of goods and services sold		(3,495,706)	(6,215,797)	(3,495,706)	(6,215,797)
Gross trading profit from ordinary activities		38,246	47,081	38,246	47,081
Other revenue from ordinary activities		121,459	141,254	117,568	135,087
Selling, general and administrative expenses		(32,860)	(40,624)	(32,158)	(39,670)
Borrowing costs		(70,106)	(109,170)	(67,150)	(103,946)
Share of net losses of joint venture entities accounted for using the equity method	27	(230)	(146)	(230)	(146)
Other expenses from ordinary activities		(10,382)	(14,649)	(10,667)	(14,862)
Profit from ordinary activities before income tax expense	28	46,127	23,746	45,609	23,544
Income tax expense relating to ordinary activities	30	(4,908)	(2,889)	(4,751)	(2,827)
Net profit attributable to members of the parent entity		41,219	20,857	40,858	20,717
Total changes in equity other than those resulting from transactions with owners as owners		41,219	20,857	40,858	20,717

Notes to the financial statements are included on pages 11 to 39

statement of cash flows

for the financial year ended 31 march 2003

	NOTE	CONSOLIDATED		COMPANY	
		12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000
Cash flows from operating activities					
Receipts from customers		3,484,915	6,356,788	3,485,047	6,355,893
Payments to suppliers and employees		(3,544,192)	(6,276,192)	(3,543,645)	(6,274,278)
Dividends received		34,098	17,082	34,098	17,082
Interest received		51,191	86,937	46,547	79,946
Interest paid		(40,366)	(91,538)	(37,154)	(86,181)
Income tax paid		(6,592)	(4,244)	(6,182)	(4,610)
Consideration for tax losses transferred		(779)	–	(929)	–
Net cash (used in)/provided by operating activities	39(a)	(21,725)	88,833	(22,218)	87,852
Cash flows from investing activities					
(Increase)/decrease in short term deposits		8,548	(4,944)	8,548	(4,944)
Decrease/(increase) in current loans receivable		40,499	6,373	(33,244)	(26,851)
Decrease/(increase) in non-current loans receivable		(22,716)	19,063	8,675	13,964
Payment for investments		(38,045)	(12,622)	(37,946)	(12,366)
Proceeds from sale of investments		455	1,612	455	1,612
Payment for property, plant and equipment		(422)	(2,477)	(399)	(2,187)
Proceeds from sale of property, plant and equipment		399	2,327	374	2,300
Proceeds from sale of gold division	39(c)	7,659	–	7,659	–
Receipts from joint venture entities		915	656	915	656
Net cash (used in)/provided by investing activities		(2,708)	9,988	(44,963)	(27,816)
Cash flows from financing activities					
Net proceeds/(repayment) of short term borrowings		35,169	(59,497)	86,901	(42,952)
Net proceeds/(repayment) of long term borrowings		(8,513)	(4,140)	(6,070)	11,086
Dividends paid		(14,000)	(19,500)	(14,000)	(19,500)
Net cash provided by/(used in) financing activities		12,656	(83,137)	66,831	(51,366)
Net increase/(decrease) in cash held		(11,777)	15,684	(350)	8,670
Cash at the beginning of the financial period		42,500	26,641	5,733	(2,937)
Effects of exchange rate changes on the balance of cash held in foreign currencies		–	175	–	–
Cash at the end of the financial period	39(b)	30,723	42,500	5,383	5,733

Notes to the financial statements are included on pages 11 to 39

notes to the financial statements

for the financial year ended 31 march 2003

1. Summary of Accounting Policies

Financial Reporting Framework

The financial report is a general-purpose financial report which has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

Accounting policies are selected and applied in a manner, which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its controlled entities as defined in accounting standard AASB1024 "Consolidated Accounts". A list of controlled entities appears in Note 41. Consistent accounting policies have been employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(b) Investments

The Consolidated entity's interests in entities that are not controlled (other than joint venture entities) are brought to account at cost or directors' valuation, on the basis that the Consolidated entity does not exert significant influence. Therefore, these investments have not been accounted for under the equity method. Dividends are taken to income on a receivable basis.

(c) Foreign Currency

All foreign currency transactions during the financial period have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate existing at that date.

Exchange differences are brought to account in the statement of financial performance in the financial period in which they arise except that exchange differences on transactions entered into in order to hedge the purchase or sale of specific goods or services are deferred and included in the measurement of the purchase or sale.

(d) Depreciation

Buildings, plant, motor vehicles and furniture are depreciated over their estimated useful economic lives using either the reducing balance method or prime cost method. The following estimated useful lives are used in the calculation of depreciation:

- Buildings 25 years
- Plant, motor vehicles and furniture 3-8 years

(e) Inventories

Finished goods on hand and in transit are valued at the lower of cost and net realisable value. Costs are assigned to inventory by the method most appropriate to each particular class of inventory with the majority being valued on a specific identification basis.

(f) Income Tax

Tax effect accounting principles have been adopted whereby income tax expense has been calculated on pre-tax accounting profits after adjustment for permanent differences. The tax effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is carried forward in the balance sheet as a provision for deferred income tax or a future income tax benefit at the income tax rates prevailing when the timing differences are expected to reverse.

(g) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

(h) Joint Ventures

Joint Venture Operations

Interests in joint venture operations have been reported in the financial statements by including the consolidated entity's share of assets employed in the joint ventures, the share of liabilities incurred in relation to joint ventures and the share of any expenses incurred in relation to joint ventures in their respective classification categories.

Joint Venture Entities

Interest in joint venture entities, which are partnerships, have been accounted for under the equity method in the company and consolidated financial statements.

(i) Regenerative Assets

Forest holdings are classified as a separate asset in accordance with accounting standard AASB 1037 "Self Generating and Regenerating Assets" ("AASB1037") (SGARA's). AASB 1037 requires that where there is no active and liquid market from which to determine net market value, SGARA's are measured using the best indicator available. Accordingly, as the forest holdings are immature and there is no reliable market value available, cost is used as the best indicator of market value. Cost includes the costs of preparing the land, planting seedlings and other direct plantation expenses but excludes interest and other allocated indirect costs incurred which were capitalised prior to the adoption of AASB1037.

(j) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, long service leave, and other employee entitlements expected to be settled within 12 months, are measured at their nominal values.

Provisions made in respect of annual leave and long service leave entitlements which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date.

(k) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts. Bills of exchange are recorded at amortised cost, with revenue recognised on a effective yield basis.

(l) Accounts Payable

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(m) Interest Bearing Liabilities

Interest bearing liabilities, including commercial paper issued at a discount, are carried at the amount received. Interest, including the discount from face value of commercial paper, is recognised on an accruals basis.

(n) Derivative financial instruments

Derivative transactions including swaps and options on interest rates, exchange rates and commodities are entered into principally for hedging purposes. These transactions are accounted for under the principles of hedge accounting and income is recognised on the same basis as that of the underlying item being hedged. Further details of derivative financial instruments are disclosed in note 45 to the financial statements.

(o) Interest Rate Swaps and Forward Rate Agreements

Interest payments and receipts under interest rate swap contracts and forward rate agreements are recognised on an accrual basis in the statement of financial performance as an adjustment to interest expense during the period.

(p) Capital Gains Tax

No provision has been made for capital gains tax, which may arise in the event of sale of revalued assets as no decision has been made to sell any of these assets.

(q) Borrowing Costs

Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing.

(r) Revenue Recognition

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the consolidated entity has passed control of the goods or other assets to the buyer.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contact.

(s) Tax Consolidation

Legislation to allow groups, comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and to be treated as single entity for income tax purposes was substantially enacted on 21 October 2002. This legislation, which includes both mandatory and elective elements, is applicable to the company. The impact of mandatory elements of the tax consolidation system on existing deferred tax balances of the economic entity and the parent entity has been reflected in the financial statements based on reasonable best estimates.

At the date of this report the directors have not assessed the financial effect, if any, that the implementation of the tax consolidation system may have on the company and the economic entity, and, accordingly, the directors have not made a decision whether or not to elect to be taxed as a single entity. The financial effects of the implementation of the tax consolidation system on the company and the consolidated entity has not been recognised in the financial statements.

(t) Comparative Amounts

Comparative amounts are, where appropriate, reclassified so as to be comparable with the amounts presented for the current financial year. In the previous period the company and its controlled entities changed their financial year end from 31 December to 31 March to align their year end with the ultimate parent company, Mitsui & Co., Ltd. Accordingly, the results of operations and cash flows for the previous period are presented for a 15 month period ended 31 March 2002.

(u) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(v) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

(w) Leased Assets

Operating lease payments are recognised as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

	CONSOLIDATED		COMPANY	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
2. Current Receivables				
Trade debtors	185,395	159,773	185,395	159,773
Provision for doubtful debts	(4,969)	(11,077)	(4,969)	(11,077)
	180,426	148,696	180,426	148,696
Other debtors	24,087	5,666	23,904	4,856
Short term deposits	12,846	21,394	12,846	21,394
Loans to:				
Controlled entities	–	–	54,130	15,530
Related bodies corporate:				
Wholly owned group	78,328	75,541	27,928	28,116
Other related parties	–	495	–	–
Other parties	60,078	102,872	60,078	65,249
Provision for doubtful debt:				
Other parties	–	(375)	–	(375)
Directors (Note 40c)	66	63	66	63
	175,405	205,656	178,952	134,833
	355,831	354,352	359,378	283,529
3. Current Tax Asset				
Income tax paid in advance	324	–	324	–
4. Current Inventories				
Finished goods on hand and in transit:				
At cost	3,689	1,194	3,689	1,194
5. Other Current Financial Assets				
Advances paid on contracts	–	12,526	–	12,526
6. Other Current Assets				
Prepayments	485	293	420	277
7. Non-Current Receivables				
Long term loans to:				
Other parties	598	486	598	486
Controlled entities	–	–	41,231	50,000
Related bodies corporate:				
Wholly owned group	59,013	36,390	20,720	20,719
Directors (Note 40c)	40	59	40	59
	59,651	36,935	62,589	71,264
Trade debtors	–	305	–	305
Other debtors	53,986	45,336	53,967	45,336
	113,637	82,576	116,556	116,905

8. Property, Plant And Equipment

CONSOLIDATED

	Freehold Land at cost $'000	Buildings at cost $'000	Furniture & Fittings at cost $'000	Plant & Equipment at cost $'000	Motor Vehicles at cost $'000	Total $'000
Gross Carrying Amount						
Balance at 31 March 2002	2,982	9,599	2,753	2,289	274	17,897
Additions	21	–	65	334	2	422
Disposals	(55)	(174)	(46)	(1,060)	–	(1,335)
Balance at 31 March 2003	2,948	9,425	2,772	1,563	276	16,984
Accumulated Depreciation						
Balance at 31 March 2002	–	1,716	1,664	1,870	134	5,384
Depreciation expense	–	595	262	195	38	1,090
Disposals	–	(63)	(30)	(1,042)	–	(1,135)
Balance at 31 March 2003	–	2,248	1,896	1,023	172	5,339
Net Book Value						
As at 31 March 2002	2,982	7,883	1,089	420	139	12,513
As at 31 March 2003	2,948	7,177	876	540	104	11,645

COMPANY

	Freehold Land at cost $'000	Buildings at cost $'000	Furniture & Fittings at cost $'000	Plant & Equipment at cost $'000	Motor Vehicles at cost $'000	Total $'000
Gross Carrying Amount						
Balance at 31 March 2002	2,413	9,599	2,753	2,268	230	17,263
Additions	–	–	65	334	–	399
Disposals	(31)	(174)	(46)	(1,058)	–	(1,309)
Balance at 31 March 2003	2,382	9,425	2,772	1,544	230	16,353
Accumulated Depreciation						
Balance at 31 March 2002	–	1,716	1,664	1,862	101	5,343
Depreciation expense	–	595	262	192	35	1,084
Disposals	–	(63)	(30)	(1,041)	–	(1,134)
Balance at 31 March 2003	–	2,248	1,896	1,013	136	5,293
Net Book Value						
As at 31 March 2002	2,413	7,883	1,089	406	129	11,920
As at 31 March 2003	2,382	7,177	876	531	94	11,060

	CONSOLIDATED		COMPANY	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000

8. Property, Plant And Equipment (continued)

The aggregate current market values of land and buildings	19,658	19,316	18,437	18,747

Current market values of land and buildings were assessed by the directors at 31 December 2000. The land and buildings are staff houses and the directors' assessment of current market value at 31 December 2000 is based on independent kerbside opinions of value at December 2000 by Richard R Links Valuation Services Pty Ltd, Raine & Horne, Ray White, Ockerby Real Estate & JLC Valuers.

Aggregate depreciation allocated as an expense during the year is disclosed in note 28(c) to the financial statements.

9. Deferred Tax Assets

Future income tax benefit attributable to timing differences	3,580	5,229	3,561	5,211

10. Non-Current Investments

Non quoted investments				
Shares in controlled entities:				
At cost	–	–	950	950
Shares in related bodies corporate:				
At cost	171,191	134,070	171,191	134,070
Shares in other corporations:				
At cost	28,057	27,384	28,057	27,384
Provision for diminution in value	(8,732)	(7,414)	(8,732)	(7,414)
	19,325	19,970	19,325	19,970
Investment in regenerative forests:				
At cost	986	978	–	–
At valuation	116	–	–	–
Investment in joint venture entities equity accounted (Note 27)	–	230	–	230
	191,618	155,248	191,466	155,220

11. Other Non-Current Financial Assets

Advances paid on contracts	–	30,293	–	30,293

12. Other Non-Current Assets

Deferred loss on gold contracts	–	6,572	–	6,572

13. Current Payables

Short term interest-free borrowing – other	27,928	19,700	27,928	19,700
Trade creditors – unsecured	103,712	106,761	103,712	106,761
Other creditors	27,477	10,301	27,528	10,082
	159,117	136,762	159,168	136,543

	CONSOLIDATED		COMPANY	
	2003 $'000	**2002 $'000**	**2003 $'000**	**2002 $'000**
14. Current Interest-Bearing Liabilities				
Unsecured:				
Bank overdraft	46	–	46	–
Trade creditors	5,111	9,594	5,111	9,594
Short term borrowings:				
Controlled entities	–	–	79,482	38,624
Ultimate parent entity	344	8,415	344	8,415
Related bodies corporate:				
Wholly-owned group	34,107	49,858	–	–
Other related parties	41,413	48,478	–	–
Other parties	141,368	83,540	68,584	22,698
	222,389	199,885	153,567	79,331
15. Current Tax Liabilities				
Income tax payable	13	4,059	–	3,749
16. Current Provisions				
Dividends	31,000	10,500	31,000	10,500
Employee entitlements (Note 23)	786	742	762	717
	31,786	11,242	31,762	11,217
17. Other Current Liabilities				
Advances received on contracts	–	11,588	–	11,588
Deferred revenue on gold contracts	–	13,986	–	13,933
Deferred revenue – other	91	–	78	–
	91	25,574	78	25,521
18. Non-Current Payables				
Other creditors	53,905	46,811	53,905	46,811
19. Non-Current Interest-Bearing Liabilities				
Unsecured:				
Long term borrowings from:				
Ultimate parent entity	20,375	20,720	20,375	20,720
Controlled entities	–	–	52,199	49,386
Related bodies corporate:				
Wholly-owned group	370	–	–	–
Other parties	41,231	49,769	41,231	49,769
	61,976	70,489	113,805	119,875

	CONSOLIDATED		COMPANY	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
20. Deferred Tax Liabilities				
Deferred income tax	3,761	2,171	3,375	1,981
21. Non-Current Provisions				
Employee entitlements (Note 23)	769	792	743	772
22. Other Non-Current Liabilities				
Advances received on contracts	–	33,549	–	33,549
Deferred revenue on gold contracts	–	910	–	909
	–	34,459	–	34,458
23. Employee Entitlements				
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:				
Provision for employee entitlements:				
Current (Note 16)	786	742	762	717
Non-current (Note 21)	769	792	743	772
	1,555	1,534	1,505	1,489
Accrual for bonus	300	–	300	–
	1,855	1,534	1,805	1,489
	No.	No.	No.	No.
Number of employees at end of financial period	124.6	124.5	120.1	119.0
24. Contributed Equity				
10,000,000 ordinary shares fully paid (2002: 10,000,000)	20,000	20,000	20,000	20,000
Fully paid ordinary shares carry one vote per share and carry the rights to dividends				
25. Reserves				
Asset revaluation reserve (Note 1(b))	84,939	84,939	84,939	84,939

	CONSOLIDATED		COMPANY	
	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000

26. Retained Profits

	CONSOLIDATED 2003 $'000	CONSOLIDATED 2002 $'000	COMPANY 2003 $'000	COMPANY 2002 $'000
Balance at beginning of financial period	66,113	59,256	64,183	57,466
Net profit	41,219	20,857	40,858	20,717
Dividends provided for or paid (Note31)	(34,500)	(14,000)	(34,500)	(14,000)
Balance at end of financial period	72,832	66,113	70,541	64,183

27. Investments In Joint Venture Entities

Name of Entity	Principal Activity	OWNERSHIP INTEREST 2003 %	OWNERSHIP INTEREST 2002 %
Toyota Partnership	Provision of finance	19.6	19.6

	CONSOLIDATED 2003 $'000	CONSOLIDATED 2002 $'000	COMPANY 2003 $'000	COMPANY 2002 $'000
Movements in Investments in Associates				
Equity accounted amount of investment at the beginning of the financial period	230	376	230	376
Share of operating (loss) after income tax	(230)	(146)	(230)	(146)
Equity accounted amount of investment at the end of the financial period	–	230	–	230
The following amounts represent the consolidated entity's share of the above joint venture entities:				
Current assets:				
Other receivables	–	950	–	950
Current liabilities:				
Unearned revenue	–	(11)	–	(11)
Non-current liabilities:				
Provision for deferred income tax	–	(709)	–	(709)
Net assets	–	230	–	230

28. Profit From Ordinary Activities

Profit from ordinary activities before income tax includes the following items of revenue and expense:

	CONSOLIDATED		COMPANY	
	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000
(a) Operating Revenue				
Sales revenue:				
Sale of goods	3,472,928	6,215,640	3,472,928	6,215,640
Rendering of services	61,024	47,238	61,024	47,238
	3,533,952	6,262,878	3,533,952	6,262,878
Dividends:				
Related bodies corporate:				
Wholly-owned group	23,855	15,524	23,855	15,524
Other related parties	3,959	26	3,959	26
Other parties	6,284	1,532	6,284	1,532
	3,568,050	6,279,960	3,568,050	6,279,960
(b) Non-Operating Revenue				
Proceeds on the disposal of:				
Property, plant and equipment	399	2,327	374	2,300
Investments	455	1,612	455	1,612
Precious metals business	7,659	–	7,659	–
Precious metals business release fee	610	–	610	–
Net transfers from provisions:				
Employee entitlements	–	49	–	65
Doubtful debts	6,483	–	6,483	–
Guarantees and warranties	–	4,780	–	4,780
Foreign exchange gain	–	729	–	729
Interest revenue:				
Ultimate parent entity	1,333	3,915	1,333	3,915
Controlled entity	–	–	2,780	3,992
Related bodies corporate:				
Wholly-owned group	18,407	53,631	13,489	47,735
Other related parties	–	1,036	–	183
Other parties	49,801	53,267	47,923	49,598
Management fees:				
Ultimate parent entity	142	940	142	940
Controlled entities	–	–	490	631
Related bodies corporate:				
Wholly-owned group	362	449	282	387
Other related parties	1,311	1,075	1,231	1,075
Other parties	315	180	218	–
Net increment in net market value of SGARA's	25	–	–	–
Other income	59	182	1	63
	87,361	124,172	83,470	118,005
	3,655,411	6,404,132	3,651,520	6,397,965

	CONSOLIDATED		COMPANY	
	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000
(c) Expenses				
Interest:				
Ultimate parent entity	4,968	9,675	4,968	9,675
Controlled entities	–	–	6,011	6,990
Related bodies corporate:				
Wholly-owned group	35,967	22,056	35,329	21,112
Other related parties	2,447	4,336	–	1
Other parties	26,724	73,103	20,842	66,168
Management fees:				
Controlled entities	–	–	310	485
Other	771	522	731	522
Operating lease rental expense	4,584	4,821	4,578	4,801
Net transfers to provisions:				
Employee entitlements	21	–	16	–
Doubtful debts:				
Trade receivables	–	5,080	–	5,080
Depreciation of fixed assets:				
Freehold land and buildings	595	771	595	771
Plant, motor vehicles and furniture	495	626	489	618
Diminution in value of investments	1,318	5,774	1,318	5,774
Foreign exchange loss	139	792	139	736

29. Sale of Assets

Sales of non-current assets have given rise to the following profits and losses:				
Net Profits:				
Property, plant and equipment	230	688	230	685
Investments	303	–	303	–
Net Losses:				
Property, plant and equipment	31	208	31	208

30. Income Tax

(a) The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:				
Profit From Ordinary Activities:	46,127	23,746	45,609	23,544
Income tax expense calculated at 30% of profit from ordinary activities	13,839	7,123	13,683	7,063
Permanent Differences:				
Rebatable dividends	(10,229)	(5,060)	(10,229)	(5,060)
Non assessable leveraged lease income	(31)	(19)	(31)	(19)
Non deductible entertainment and other items	204	235	203	233
Additional income tax expense arising under Advance Pricing Arrangement	743	3,207	743	3,207
Carried forward	4,526	5,486	4,369	5,424

	CONSOLIDATED		COMPANY	
	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000

30. Income Tax (continued)

Brought forward:	4,526	5,486	4,369	5,424
Recovery of additional income tax expense arising under Advance Pricing Arrangement:				
Ultimate parent entity	(743)	(3,207)	(743)	(3,207)
Under provision of income tax in prior year	243	199	243	199
Timing differences not brought to account as future income tax benefits	882	1,941	882	1,941
Future income tax benefits not previously recognised now brought to account	–	(1,530)	–	(1,530)
Income tax expense attributable to profit from ordinary activities	4,908	2,889	4,751	2,827
(b) Future Income Tax Benefits Not Brought To Account:				
Potential future income tax benefit arising from certain tax losses and timing differences have not been recognised as an asset because recovery is not virtually certain or beyond reasonable doubt (as applicable):				
Timing differences:				
On capital account	3,220	2,376	3,220	2,376
Tax losses:				
On capital account	407	503	407	503
	3,627	2,879	3,627	2,879

The taxation benefits of tax losses and timing differences not brought to account will only be obtained if:

i. assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;

ii. conditions for deductibility imposed by the law are complied with; and

iii. no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

31. Dividends

Interim dividends paid, fully franked at 30%	3,500	7,000	3,500	7,000
Dividend proposed, fully franked at 30%	31,000	7,000	31,000	7,000
	34,500	14,000	34,500	14,000
Adjusted franking account balance	7,307	15,418	6,742	14,966

32. Trading Transactions

Trading transactions represent the total value of merchandise transactions handled by the company and thus includes the value of transactions in which the company acts as a principal as well as the value of those transactions in which the company acts as an agent.

	CONSOLIDATED		COMPANY	
	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000
33. Remuneration of Directors				
The directors of Mitsui & Co. (Australia) Ltd during the period were:				
Y Satake				
S Unno				
M Tanaka				
Y Hashimoto				
T Fujinaga				
T Nitta				
Y Kohata				
M Yoshioka				
The aggregate of income paid or payable, or otherwise made available, in respect of the financial period, to all directors of the company, directly or indirectly, by the company or by any related party			2,298	2,242
The aggregate of income paid or payable, or otherwise made available, in respect of the financial period, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities in which they are directors or by any related party		2,486	2,572	
			No.	No.
The number of directors of the company whose total income falls within the following bands of income.				
\$ 30,000 – \$ 39,999			1	–
\$ 70,000 – \$ 79,999			1	–
\$ 90,000 – \$ 99,999			1	–
\$130,000 – \$139,999			–	1
\$160,000 – \$169,999			–	1
\$170,000 – \$179,999			–	1
\$300,000 – \$309,999			1	–
\$360,000 – \$369,999			1	–
\$380,000 – \$389,999			–	1
\$390,000 – \$399,999			1	–
\$420,000 – \$429,999			–	1
\$460,000 – \$469,999			–	1
\$470,000 – \$479,999			1	–
\$480,000 – \$489,999			–	1
\$550,000 – \$559,999			1	–

	CONSOLIDATED		COMPANY	
	12 months to 31 March 2003 $	15 months to 31 March 2002 $	12 months to 31 March 2003 $	15 months to 31 March 2002 $

34. Remuneration Of Auditors

Auditing the financial report	220,510	224,225	198,205	203,095
Other services	213,335	512,972	199,309	475,712
	433,845	737,197	397,514	678,807

35. Joint Venture Operations

NAME OF ENTITY	PRINCIPAL ACTIVITY	OUTPUT INTEREST 2003 %	OUTPUT INTEREST 2002 %
Bunbury Treefarm Project Joint Venture	Afforestation	3	3
Victoria Treefarm Project Joint Venture	Afforestation	6.67	6.67
Green Triangle Treefarm Project Joint Venture	Afforestation	10	10
Portland Treefarm Project Joint Venture	Afforestation	6.67	6.67

The following amounts represent the consolidated entity's share of the above joint venture operations. The amounts are included in the consolidated financial statements under their respective asset and liability categories:

	CONSOLIDATED		COMPANY	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Current Assets				
Cash	39	86	–	–
Receivables	3	6	–	–
Other	42	7	–	–
Non-Current Assets				
Property, plant and equipment	1,231	1,420	–	–
Investment in regenerative forests	1,102	978	–	–
Receivables	19	–	–	–
Current Liabilities				
Accounts payable	(2)	(6)	–	–
Unearned revenue	(13)	(23)	–	–
Non-Current Liabilities				
Other	(1)	(2)	–	–
Net Assets	2,420	2,466	–	–
Share of joint venture operating costs	21	19	–	–

For details of capital expenditure commitments arising from the consolidated entity's interest in joint venture operations, refer to Note 36.

Non-cancellable operating lease commitments arising from the consolidated entity's interest in joint venture operations, amounting to $1,212,057 (2002: $1,146,053) are included in Note 36.

	CONSOLIDATED		COMPANY	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
36. Expenditure Commitments				
(a) Lease Commitments				
Non cancellable operating leases relating to office premises, office equipment, land and motor vehicles:				
Not later than one year	4,267	3,724	4,214	3,659
Later than one year but not later than five years	2,278	6,550	2,065	6,307
Later than five years	2,706	1,298	1,760	447
	9,251	11,572	8,039	10,413
(b) Commodity Purchase Commitments				
Aggregate purchase commitments contracted for at balance date but not provided for in the financial statements:				
Not later than one year	198,335	1,296,261	198,335	1,296,261
Later than one year but not later than five years	–	539,449	–	539,449
Later than five years	–	23,331	–	23,331
	198,335	1,859,041	198,335	1,859,041
(c) Capital Expenditure Commitments				
Total capital expenditure contracted for at balance date but not provided for in the accounts related to Bunbury Tree Farm Project Joint Venture, and Portland Tree Farm Project Joint Venture payable not later than one year	–	99	–	–
37. Contingent Liabilities				
Contingent liabilities at the end of the financial period are:				
(a) Guarantees given in respect of borrowings by controlled entities	–	–	140,089	127,275
(b) The company has given performance guarantees in respect of various contracts to other corporations	5,596	3,783	5,596	3,783
38. Financing Arrangements				
(a) Bank overdraft facility:				
amount used	46	–	46	–
amount unused	23,297	24,406	23,297	24,406
	23,343	24,406	23,343	24,406
(b) Committed term loan facilities:				
amount used	90,992	59,769	90,992	49,769
amount unused	85,000	85,231	65,000	65,231
	175,992	145,000	155,992	115,000
(c) Uncommitted term loan facilities:				
amount used	115,216	22,494	171,223	22,494
amount unused	276,177	400,723	166,177	300,723
	391,393	423,217	337,400	323,217
(d) Commercial paper:				
amount used	73,000	51,000	–	–
amount unused	127,000	149,000	–	–
	200,000	200,000	–	–

39. Notes To Statement Of Cash Flows

	CONSOLIDATED		COMPANY	
	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000
(a) Reconciliation Of Profit From Ordinary Activities After Income Tax To Net Cash Flows From Operating Activities:				
Profit from ordinary activities after income tax	41,219	20,857	40,858	20,717
Add/(less):				
(Profit) on disposal of property, plant & equipment	(230)	(687)	(230)	(685)
Loss on disposal of property, plant & equipment	31	208	31	208
Equity accounted share of joint venture entities loss	230	146	230	146
Depreciation and amortisation	1,090	1,397	1,084	1,389
Net unrealised exchange gains	–	(243)	–	–
(Profit) on disposal of precious metals business	(8,466)	–	(8,466)	–
(Profit) on disposal of investments	(303)	–	(303)	–
Decrease/(Increase) in future income tax benefit	45	(1,379)	46	(1,374)
(Decrease)/increase in current income tax provision	(4,370)	3,483	(4,073)	3,190
Increase/(decrease) in provision for deferred income tax	1,590	(187)	1,394	(43)
Provision for diminution of investment	1,318	5,774	1,318	5,774
Net increment in SGARA's market value	(25)	–	–	–
Changes in assets and liabilities				
(Increase)/decrease in assets:				
Trade receivables	(26,232)	42,744	(26,232)	42,744
Other receivables	(20,691)	(31,223)	(21,250)	(31,521)
Inventories	(2,495)	3,321	(2,495)	3,321
Advances paid on contracts	42,819	(13,952)	42,819	(13,952)
Increase/(decrease) in liabilities:				
Accounts payable	16,738	21,036	17,008	21,036
Other payables	(47,444)	28,370	(47,404)	27,750
Other provisions	(2,962)	(4,829)	(2,967)	(4,845)
Advances received on contracts	(12,498)	13,997	(12,497)	13,997
Changes in assets and liabilities from disposal of Precious Metals business				
Decrease in assets:				
Other receivables	(41,592)	–	(41,592)	–
Advances paid on contracts	(56,498)	–	(56,498)	–
Decrease in liabilities:				
Accounts payable	35,631	–	35,631	–
Other payables	2,325	–	2,325	–
Advances received on contracts	59,045	–	59,045	–
Net cash (used in)/provided by operating activities	(21,725)	88,833	(22,218)	87,852

	CONSOLIDATED		COMPANY	
	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000	12 months to 31 March 2003 $'000	15 months to 31 March 2002 $'000
(b) Reconciliation of Cash				
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and money market investments readily convertible to cash within one working day, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:				
Cash	30,769	42,500	5,429	5,733
Bank overdraft	(46)	–	(46)	–
	30,723	42,500	5,383	5,733
(c) Business Disposed				
During the financial year the consolidated entity disposed of its precious metals business. Details of the disposal are as follows:				
Consideration				
Cash	7,659	–	7,659	–
Book value of net liabilities sold				
Current assets				
Other receivables	38,692	–	38,692	–
Advances on contracts	12,526	–	12,526	–
Deferred loss	2,900	–	2,900	–
Non-current assets				
Advances on contracts	43,972	–	43,972	–
Future income tax benefit	1,604	–	1,604	–
Current liabilities				
Deferred revenue	(2,325)	–	(2,325)	–
Advances received on contracts	(11,588)	–	(11,588)	–
Business risk provision	(3,500)	–	(3,500)	–
Non-current liabilities				
Advances received on contracts	(47,457)	–	(47,457)	–
Other creditors	(35,631)	–	(35,631)	–
	(807)	–	(807)	–
Gain on disposal	8,466	–	8,466	–
	7,659	–	7,659	–

40. Related Party Disclosures

(a) Controlling Entities

The ultimate parent entity is Mitsui & Co., Ltd, incorporated in Japan.

(b) Transactions within the wholly-owned group

Details of dividend and interest revenue, management fees and interest expense are disclosed in Note 28.

Other transactions that occurred between entities in the wholly-owned group are:

- Commission on trading transactions, at rates agreed between the parties;
- Transfer of tax losses for full consideration; and
- Loan facilities are at normal commercial terms and conditions and in some cases, interest free.

(c) Directors' Loans

The aggregate amount of loans advanced during the period to directors of the consolidated entity was $75,000 (2002: $86,672). The aggregate amount of loans repaid during the year by directors of the consolidated entity was $100,971 (2002: $63,167) and the directors concerned are Y Satake, S Unno, M Tanaka, T Fujinaga, M Yoshioka, Y Kohata and T Nitta. Interest paid during the year in respect of these loans amounted to $4,342 (2002: $3,717).

Directors' loans in existence as at the reporting date are disclosed in Notes 2 and 7.

(d) Transactions With Other Related Parties

Details of interest revenue, interest expense and management fees received are disclosed in Note 28.

(e) Outstanding Balances With Entities Within The Wholly Owned Group

Loans receivable and payable are disclosed in Notes 2, 7, 14 and 19.

RELATED PARTY	TRANSACTION TYPE	2003 $'000	2002 $'000	TERMS AND CONDITIONS
Ultimate Parent Company	Trade debtors			
	- Current	77,930	73,056	
	- Non-Current	–	250	Commercial terms and conditions
	Other debtors			
	- Current	640	1,396	Commercial terms and conditions
	Trade creditors			
	- Current	20,791	20,331	
	- Non-Current	–	7,707	Commercial terms and conditions
	Advances paid on contracts			
	- Non-Current	–	153	Commercial terms and conditions
	Other creditors			
	- Current	–	130	Commercial terms and conditions

RELATED PARTY	TRANSACTION TYPE	2003 $'000	2002 $'000	TERMS AND CONDITIONS
Related Bodies Corporate Wholly-owned group	Trade debtors			
	- Current	22,718	3,792	Commercial terms and conditions
	Other debtors			
	- Current	12,393	1,396	
	- Non-Current	7,088	319	Commercial terms and conditions
	Advances paid on contracts			
	- Current	–	3,621	
	- Non-Current	–	5,101	Commercial terms and conditions
	Trade creditors			
	- Current	1,310	16,414	Commercial terms and conditions
	Advances received on contracts			
	- Current	–	9,639	
	- Non-Current	–	29,252	Commercial terms and conditions
	Other creditors			
	- Current	9,666	49	Commercial terms and conditions

(f) Outstanding Balances With Other Related Parties

RELATED PARTY	TRANSACTION TYPE	2003 $'000	2002 $'000	TERMS AND CONDITIONS
Bodies Corporate not 100% owned within wholly-owned group	Trade debtors			
	- Current	7,265	1,192	Commercial terms and conditions
	Other debtors			
	- Current	271	219	Commercial terms and conditions
	Trade creditors			
	- Current	6,097	10,370	Commercial terms and conditions
	Other creditors			
	- Current	138	258	Commercial terms and conditions

41. Details of Controlled Entities

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 31 MAR. 2003 %	OWNERSHIP INTEREST 31 DEC. 2002 %
Parent Entity			
Mitsui & Co. (Australia) Ltd.	Australia		
Controlled Entity			
Mitsui & Co. Financial Services (Australia) Ltd	Australia	100	100
MCA Afforestation Pty Ltd	Australia	100	100
Mitsui Accounting Services (Australia) Pty Limited	Australia	100	100

42. Economic Dependency

The group was dependent during the financial period upon its ultimate parent company, Mitsui & Co., Ltd, Japan, for a significant volume of its trading transactions.

43. Financial Reporting By Segments

The operations of the group are conducted from Australia. For management purposes, the consolidated entity is organised into business divisions based on trading, investing and providing services for particular product lines as tabled below:

Segment Revenues

	EXTERNAL SALES		INTER-SEGMENT SALES		OTHER		TOTAL	
	12 months ended 31 March 2003	15 months ended 31 March 2002	12 months ended 31 March 2003	15 months ended 31 March 2002	12 months ended 31 March 2003	15 months ended 31 March 2002	12 months ended 31 March 2003	15 months ended 31 March 2002
Steel	52,904	105,930	–	–	–	–	52,904	105,930
Iron ore	34,056	392,482	–	–	26,650	13,270	60,706	405,752
Coal	10,741	12,205	–	–	6,097	1,256	16,838	13,461
Metal	2,471,617	4,419,846	–	–	–	–	2,471,617	4,419,846
Machinery	17,960	15,150	–	–	121	21	18,081	15,171
Chemical	133,811	152,194	–	–	109	26	133,920	152,220
Energy	259,772	462,798	–	–	1,055	2,236	260,827	465,034
Food	382,101	560,361	–	–	66	273	382,167	560,634
General Merchandise	168,905	141,912	–	–	–	–	168,905	141,912
Other	2,085	–	–	–	–	–	2,085	–
Total of all segments	3,533,952	6,262,878	–	–	34,098	17,082	3,568,050	6,279,960
Eliminations							–	–
Unallocated							87,361	124,172
Consolidated							3,655,411	6,404,132

	12 months ended 31 March 2003 $'000	15 months ended 31 March 2002 $'000
Segment Results		
Steel	161	1,187
Iron ore	31,524	19,360
Coal	10,510	6,039
Metal	675	7,880
Machinery	140	(264)
Chemical	388	398
Energy	261	2,787
Food	2,415	2,997
General Merchandise	851	(54)
Finance & administration	(6,745)	(5,398)
Other	(792)	(1,916)
Total of all segments	39,388	33,016
Eliminations	90	590
Unallocated	6,649	(9,860)
Profit from ordinary activities before income tax	46,127	23,746
Income tax relating to ordinary activities	(4,908)	(2,889)
Profit from ordinary activities after related income tax	41,219	20,857

Segment Assets and Liabilities

	ASSETS		LIABILITIES	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Steel	9,228	8,625	2,698	5,620
Iron ore	113,174	102,934	7,183	7,015
Coal	116,388	84,704	117,786	85,945
Metal	116,448	204,448	124,156	207,048
Machinery	11,042	10,170	9,571	7,777
Chemical	24,507	19,312	22,823	19,310
Energy	63,898	20,765	60,857	13,485
Food	28,762	24,543	24,511	21,191
General Merchandise	7,753	9,909	6,033	8,438
Finance	249,125	229,506	245,324	226,159
Finance and administration	200,683	143,970	140,785	84,429
Total of all segments	941,008	858,886	761,727	686,417
Eliminations	(232,605)	(158,597)	(231,000)	(156,992)
Unallocated	3,175	3,007	3,080	2,819
Consolidated	711,578	703,296	533,807	532,244

43. Financial Reporting By Segments (continued)

	12 months ended 31 March 2003 $'000	15 months ended 31 March 2002 $'000
Acquisition of Segment Assets		
Other	422	2,477
Depreciation of Segment Assets		
Other	1,090	1,397

Geographical Segments

The consolidated entity's operations are conducted from Australia. The consolidated entity's customers, however, are located in 3 principal geographic locations – Japan, Australia, and the United Kingdom. The products and services that the consolidated entity trades are not linked to specific geographic segments.

Details of geographic segments are as follows:

GEOGRAPHICAL SEGMENTS	EXTERNAL SALES		SEGMENT ASSETS		SEGMENT ASSETS ACQUIRED	
	12 months ended 31 March 2003 $'000	15 months ended 31 March 2002 $'000	31 March 2003 $'000	31 March 2002 $'000	12 months ended 31 March 2003 $'000	15 months ended 31 March 2002 $'000
Japan	2,393,738	4,075,793	–	–	–	–
Australia	570,327	776,582	705,494	702,478	422	2,477
United Kingdom	196,203	718,484	–	–	–	–
Other	373,684	692,019	6,084	818	–	–
	3,533,952	6,262,878	711,578	703,296	422	2,477

44. Discontinuing Operations

Disposal of precious metals business:

On 1 September 2002 the company disposed of its precious metals business. The precious metals business engaged in buying, selling and leasing precious metals, mainly gold. The sale was consistent with the ultimate parent company's risk management policies to move such businesses out of trading subsidiaries. The consolidated entity recognised a profit before income tax amounting to $8,466,000 (related income tax expense $2,540,000) from the disposal, being the proceeds on sale plus the carrying amounts of the net liabilities of the business disposed.

In consideration for the company releasing the employees and delivering records to the acquirer, the acquirer has agreed to pay the company a release fee calculated as 10% of the before tax trading profit of the acquirer minus both expenses and bonuses to those employees for 5 years commencing on 1 September 2002. As the fee is contingent on the ability of the acquirer to make future profits, the potential release fee is not included in the profit on disposal of the business.

Details of the carrying amounts of net liabilities disposed are disclosed in note 39(c) to the financial statements.

Details of the financial performance and cash flows of the precious metals business for the period from 1 April 2002 to 1 September 2002 are as follows:

	CONSOLIDATED		COMPANY	
	5 months to 1 September 2002 $'000	15 months to 31 March 2002 $'000	5 months to 1 September 2002 $'000	15 months to 31 March 2002 $'000
Financial Performance				
Revenue from ordinary activities	1,980,898	3,834,403	1,980,898	3,834,403
Expenses from ordinary activities	(1,978,995)	(3,831,047)	(1,978,995)	(3,831,047)
Profit from ordinary activities before income tax expense	1,903	3,356	1,903	3,356
Income tax expense relating to ordinary activities	(571)	(1,007)	(571)	(1,007)
Net profit	1,332	2,349	1,332	2,349
Cash Flows				
Net cash flows from operating activities	(10,573)	16,856	(10,573)	16,856
Net cash flows from investing activities	18,181	(12,834)	18,181	(12,834)
Net cash flows from financing activities	(2,883)	2,395	(2,883)	2,395
	4,725	6,417	4,725	6,417

The financial performance and cash flow figures stated above form part of the results of the Metal Division segment results disclosed in note 43 to the financial statements.

45. Financial Instruments

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in Note 1 to the accounts.

(b) Objectives of Derivative Financial Instruments and Significant Terms and Conditions

The consolidated entity enters into various derivative financial instruments in the normal course of business. It does so to meet the needs of its customers for foreign exchange, interest rate and price protection, to earn trading and fee revenue, and to manage its own exposure to fluctuations in foreign exchange rates and commodity prices. The primary classes of derivatives used by the consolidated entity are foreign exchange contracts, cross currency swaps, interest rate swaps, and options.

Since most of the consolidated entities derivative transactions are related to hedges of underlying business exposures, market risk in those derivative instruments is basically offset by equal and opposite movements in the underlying exposure.

The consolidated entity acts as an agent for an overseas related party, entering into interest rate swaps and cross-currency swaps on a back-to-back basis and has no exposure to market risks on these transactions. Accordingly, disclosures in respect of these financial instruments are not considered meaningful and have therefore not been included in the disclosures below.

Commodity Trading

The consolidated entity has entered into contracts to purchase and sell various commodities in the future. Since the consolidated entity has the discretion to either settle these transactions in cash or by physical delivery, these contracts are not considered financial instruments. Committed commodity purchases are disclosed in Note 36.

Gold Bullion Trading

Up to the date of sale of the gold business on 1 September 2002, the consolidated entity acted as a principal and agent in the trading of gold bullion. In addition to spot purchases and sales of gold bullion, the consolidated entity also entered into contracts to purchase and sell gold bullion in the future. Interest rate swaps, cross currency swaps, forwards foreign exchange contracts and options were utilised as part of this gold trading activity. As all gold transactions were matched on a back to back basis, usually with related entities, the consolidated entity had no exposure to market risks. Accordingly, disclosures in respect of financial instruments related to gold bullion activity are not considered meaningful and have therefore not been included in the disclosures below. The consolidated entity's only exposure in respect of gold bullion trading was in relation to credit risk, which is disclosed below in the prior period figures.

45. Financial Instruments (continued)

(c) Interest Rate Risk

The consolidated entity is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The following table details the consolidated entity's exposure to interest rate risk for recognised financial assets and liabilities as at the reporting date.

2003	Average Interest Rate %	Variable Interest Rate $'000	Fixed Interest Rate Maturity: Less than 1 Year $'000	Fixed Interest Rate Maturity: 1 to 5 Years $'000	Fixed Interest Rate Maturity: More than 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets							
Cash	3.67	30,226	–	–	–	543	30,769
Trade debtors	2.17	–	35,844	–	–	149,551	185,395
Other debtors	–	–	–	–	–	78,073	78,073
Short term deposits	3.62	–	12,846	–	–	–	12,846
Short term loans receivable	5.05	50,400	60,144	–	–	27,928	138,472
Long term loans receivable	6.16	–	33,061	5,870	20,720	–	59,651
Interest rate swaps (i)	5.07	8,500	(600)	(7,900)	–	–	–
	4.66	**89,126**	**141,295**	**(2,030)**	**20,720**	**256,095**	**505,206**
Financial Liabilities							
Trade Creditors	2.75	–	5,111	–	–	103,712	108,823
Other Creditors	–	–	–	–	–	27,477	27,477
Short term borrowings	4.35	133,726	49,761	33,791	–	27,928	245,206
Long term borrowings	2.02	–	–	41,601	20,375	–	61,976
Interest rate swaps (ii)	5.64	(190,343)	39,828	81,925	68,590	–	–
	3.82	**(56,617)**	**94,700**	**157,317**	**88,965**	**159,117**	**443,482**

2002	Average Interest Rate %	Variable Interest Rate $'000	Fixed Interest Rate Maturity Less than 1 Year $'000	1 to 5 Years $'000	More than 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets							
Cash	3.25	40,564	–	–	–	1,936	42,500
Trade debtors	2.32	2,661	39,809	–	–	117,608	160,078
Other debtors	–	–	–	–	–	51,002	51,002
Short term deposits	4.39	21,394	–	–	–	–	21,394
Short term loans receivable	6.45	126,820	32,451	–	–	19,700	178,971
Long term loans receivable	6.22	–	–	4,046	32,889	–	36,935
Advances paid on contracts	–	–	–	–	–	42,819	42,819
Investments in leverage lease/partnership	9.20	–	230	–	–	–	230
Interest rate swaps	4.29	16,200	(13,200)	(3,000)	–	–	–
	5.26	**207,639**	**59,290**	**1,046**	**32,889**	**233,065**	**533,929**
Financial Liabilities							
Trade Creditors	2.01	–	9,594	–	–	106,761	116,355
Other Creditors	–	–	–	–	–	57,112	57,112
Short term borrowings	2.86	164,058	26,233	–	–	19,700	209,991
Long term borrowings	6.12	–	–	49,770	20,719	–	70,489
Advances received on contracts	–	–	–	–	–	45,137	45,137
Interest rate swaps	6.06	(95,415)	42,850	38,375	14,190	–	–
	3.05	**68,643**	**78,677**	**88,145**	**34,909**	**228,710**	**499,084**

(i) Comprises $41,000,000 fixed to floating swaps offset by $32,500,000 floating to fixed swaps, and $293,970,000 cross currency floating to floating swaps.

(ii) Comprises $190,343,000 of floating to fixed swaps.

45. Financial Instruments (continued)

(c) Interest Rate Risk (continued)

Interest Rate Swaps

The consolidated entity enters into interest rate swaps to hedge its interest rate exposures. Under interest rate swap contracts, the consolidated entity agrees to exchange the difference between fixed and floating rate interest calculated on agreed notional principal amounts.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date.

	AVERAGE INTEREST RATE		NOTIONAL PRINCIPAL AMOUNT	
Outstanding Contracts	**2003 %**	**2002 %**	**2003 $000**	**2002 $000**
Less than 1 year	5.67	5.73	45,228	62,733
1 to 2 years	5.05	5.74	68,631	36,275
2 to 5 years	5.15	5.61	102,625	31,100
5 years and more	5.14	6.40	341,329	14,190
			557,813	**144,298**

The average interest rate is based on the outstanding balances at the start of the financial period.

(d) Foreign Exchange Risk

The consolidated entity is exposed to various risks associated with the effects of fluctuations in the exchange rates of foreign currencies on its financial position and cash flows. The consolidated entity enters into forward foreign exchange contracts and cross currency swaps for the purpose of reducing its foreign exchange risk.

Forward Foreign Exchange Contracts

It is the policy of the consolidated entity to enter into forward foreign exchange contracts to hedge foreign currency receivables and payables. Under forward foreign exchange contracts, the consolidated entity agrees to exchange specified amounts of various currencies at an agreed future date at a specified exchange rate.

The following table details the forward foreign currency exchange outstanding as at the reporting date.

OUTSTANDING CONTRACTS	AVERAGE EXCHANGE RATE		PRINCIPAL AMOUNT	
	2003	2002	2003 $000	2002 $000
Sell US Dollars				
Less than 3 months	0.58	0.53	56,531	111,016
3 to 6 months	0.52	0.53	23,036	17,632
Longer than 6 months	0.55	0.55	208,543	280,233
Buy US Dollars				
Less than 3 months	0.58	0.51	9,205	48,065
3 to 6 months	0.59	0.63	1,912	4,756
Longer than 6 months	0.51	0.62	2,046	4,866
Sell Japanese Yen				
Less than 3 months	57.80	62.36	1,746	3,366
3 to 6 months	59.02	56.56	1,874	1,825
Longer than 6 months	56.25	55.05	2,986	8,687
Buy Japanese Yen				
Less than 3 months	67.80	66.55	1,300	1,920
3 to 6 months	68.46	–	2,510	1,323
Longer than 6 months	69.90	–	14	–
Sell US Dollars Buy Japanese Yen				
3 to 6 months	–	130.78	–	2,976
Buy US Dollars Sell Japanese Yen				
Less than 3 months	118.72	–	742	–
3 to 6 months	118.79	–	216	–
Sell NZ Dollars Buy US Dollars				
Less than 3 months	0.55	0.42	8,853	29,177
Buy NZ Dollars Sell US Dollars				
Less than 3 months	0.55	0.42	4,540	97,096

45. Financial Instruments (continued)

(d) Foreign Exchange Risk (continued)

Cross Currency Swaps

Under cross currency swap contracts, the consolidated entity agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate. Such contracts enable the consolidated entity to mitigate the risk of adverse movements in foreign exchange rates.

The following table details the cross currency swaps outstanding as at the reporting date.

OUTSTANDING CONTRACTS	AVERAGE EXCHANGE RATE		PRINCIPAL AMOUNT	
	2003	2002	2003 $000	2002 $000
Buy Japanese Yen				
1 to 2 years	70.65	–	21,231	–
Buy US Dollar				
Less than 1 year	–	0.6885	–	8,415
5 years and more	0.5560	0.5384	330,138	175,426
			351,369	**183,841**

The interest rate exposure pursuant to the cross currency swap contracts are included in the tables in note 45(c).

(e) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The variety of businesses within the consolidated entity have diverse customers and suppliers which inherently reduces the concentration of credit risk. The consolidated entity deals with selective international financial institutions to minimise the credit risk exposure of financial instruments with off-balance sheet risks. Management does not expect any losses as a result of counterparty default on financial instruments with off-balance sheet risk. Credit risk is managed through the credit line approval by management and by monitoring the counterparties periodically.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the consolidated entity's maximum exposure to credit risk in respect of those financial assets.

Credit risk in respect of derivatives arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity and is summarised as follows:

	2003 $'000	2002 $'000
Unrecognised Financial Assets		
Favourable interest rate swaps	–	–
Favourable cross-currency swaps	–	4,729
Favourable foreign exchange contracts	7,932	5,620
Favourable gold forward contracts	–	109,970

(f) Net Fair Value

Except as noted below the carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the accounts.

Fixed rate financial assets and financial liabilities

The consolidated entity has entered into fixed rate financial assets and financial liabilities as disclosed in note 45(c) on a back to back basis to facilitate its trading operation. Accordingly, any net fair value increments would be offset by net fair value decrements such that individual net fair value disclosures are not considered meaningful and therefore have not been disclosed.

Non-interest bearing short term loans receivable and short term borrowings

Non-interest bearing short term loans receivable have been funded by equal and off-setting non-interest bearing short term borrowings. Accordingly, any net fair value increments would be offset by net fair value decrements such that individual net fair value disclosures are not considered meaningful and have not therefore been disclosed.

The net fair value of financial assets and financial liabilities have been determined as follows:

- The net fair value of the financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Where amounts are payable or receivable within 12 months, the carrying amount is taken to approximate the net fair value; and
- The net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

46. Additional Company Information

Mitsui & Co. (Australia) Ltd is a company incorporated and operating in Australia.

Principal Registered Office	**Principal Place of Business**
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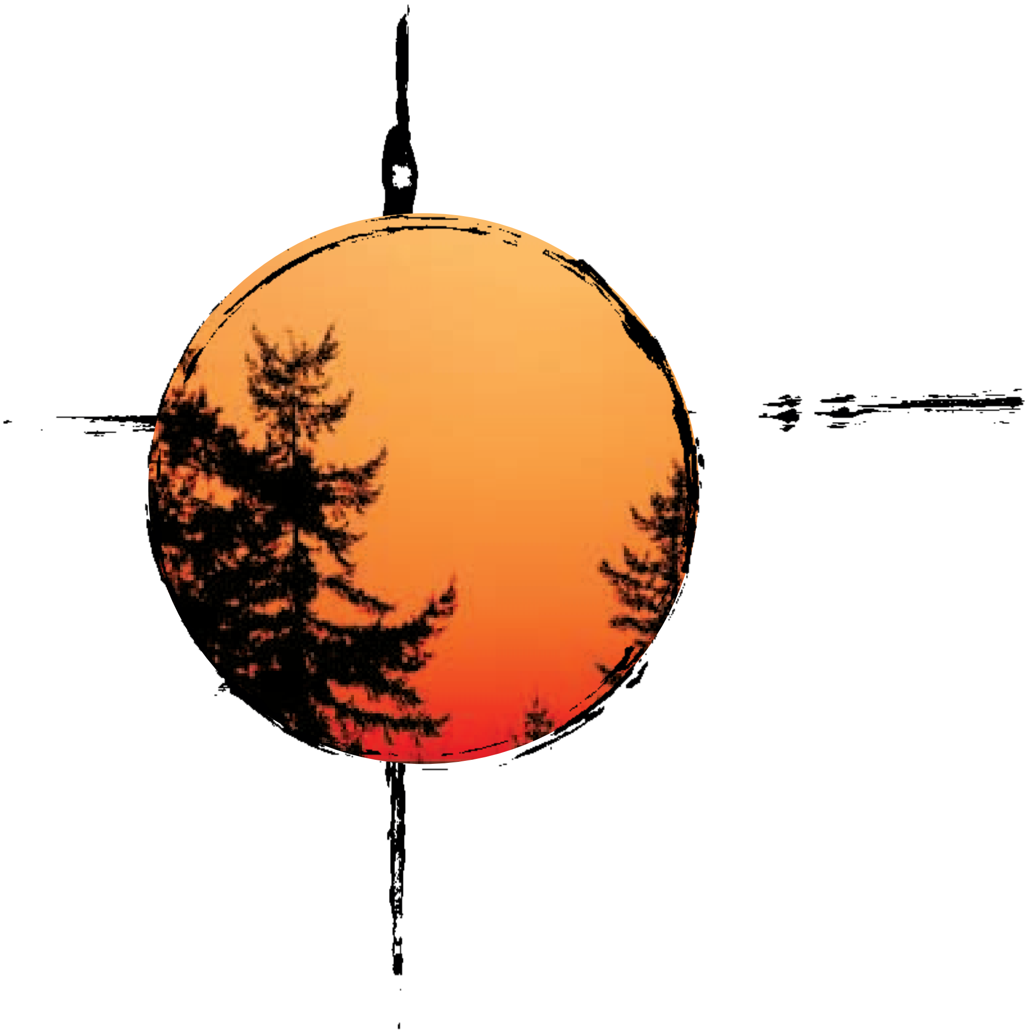

Mitsui & Co. (Australia) Ltd

ACN 004 349 795
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