

BHP Billiton Finance Plc

Directors' report and financial statements

Registered number: 6683534

For the year ended 30 June 2020

COMPANY INFORMATION

DIRECTORS

Stewart Forster Cox
Philip Anthony Valvona (Appointed 15 July 2019)
Deirdre Williams (Appointed 15 July 2019)
James Douglas Wear (Alternate Appointed 13 November
2019)

REGISTERED NUMBER

6683534

REGISTERED OFFICE

Nova South
160 Victoria Street
London
England
SW1E 5LB
United Kingdom

SECRETARY

Citco Management (UK) Limited

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Directors present their Directors' Report and financial statements for BHP Billiton Finance Plc ('the Company') for the financial year ended 30 June 2020.

Principal activities and review of business

The Company was incorporated on 28 August 2008 by the Registrar of Companies for England and Wales as a Public Limited Company under the Companies Act 2006.

The principal activity of the Company is to raise funds in the external debt markets. Funds from such issuance are ultimately made available to BHP Group companies. During the year ended 30 June 2020 and 2019, the company did not have any such operations. The Company's activities are not expected to change in the future.

The Company may be exposed to interest, foreign exchange, liquidity and credit risks. The Company may enter into currency and interest rate swaps and interest rate derivatives for the purpose of managing risk exposures for fellow BHP Group Companies ('the Group').

BHP Group's Financial Risk Management Committee (FRMC) has oversight to monitor the Company's financial exposures.

The US dollar is the functional currency of most operations within the BHP Group as well as being the functional currency of the Company and so most currency exposure relates to transactions and balances in currencies other than the US dollar. The Company has potential currency exposures in respect of items denominated in currencies other than its functional currency:

- Transactional exposure in respect of non-functional currency expenditure; and
- Translational exposure in respect of non-functional currency monetary items.

Results and review of activities

The profit for the financial year, after taxation, amounted to US\$ 268 (2019: US\$ 237).

The operating results and state of affairs of the Company are fully set out in the accompanying financial statements and do not in our opinion require any further comment. The nature of the Company's business will remain the same for the foreseeable future.

Research and development

The Company did not incur any research and development costs during the year.

Financial instruments

The financial risks faced by the Company and its policy towards these risks are set out in note 10 of the accounts.

Proposed dividend

The directors do not recommend the payment of dividends for the year ended 30 June 2020. (2019: US\$ nil).

Directors

The following persons were directors of the Company at any time during or since the end of the financial year until the date of this report:

Stewart Forster Cox
Philip Anthony Valvona (appointed 15 July 2019)
Deirdre Williams (appointed 15 July 2019)
James Douglas Wear (appointed 13 November 2019)

Employees

The Company had no employees during the year.

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Auditor

KPMG LLP resigned and Ernst & Young LLP was appointed company auditor.

Going concern

These financial statements have been prepared on a going concern basis which Directors believe appropriate due to the Company's strong financial position. Management performed a going concern assessment by reviewing Company's cash flows for the next 12 months from the date of financial statements. Based on the assessment Management concluded that its cash and cash equivalents balance is sufficient to meet the Company's liabilities for the next 12 months as they fall due for payment.

The Directors have also considered the potential impact of the Coronavirus (COVID-19) pandemic on the Company's principal activities and future cash flows. To date, the impact of the pandemic on the Company's business has been minimal. In particular, Company's customers, who are all members of the BHP Group, continue to service their financing arrangements. Based on Management's current knowledge and available information, COVID-19 is not expected to have an impact on Company's ability to continue as a going concern.

Strategic report

In accordance with section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has taken exemption from preparing a separate strategic report.

This report was approved by the board on 17 December 2020 and signed on its behalf.



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Stewart Forster Cox
Director

Nova South
160 Victoria Street
London
SW1E 5LB
17 December 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHP BILLITON FINANCE PLC

Opinion

We have audited the financial statements of BHP Billiton Finance Plc ("the company") for the year ended 30 June 2020 which comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 3, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BHP BILLITON FINANCE PLC (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Jacqueline Ann Geary

for and on behalf of Ernst & Young LLP, Statutory Auditor
London, UK

17 December 2020

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 US\$	2019 US\$
Administrative expenses	2	<u>(272)</u>	<u>(583)</u>
Operating loss		(272)	(583)
Finance income	3	<u>485</u>	<u>875</u>
Profit before taxation		213	292
Taxation	5	<u>55</u>	<u>(55)</u>
Profit for the year		<u>268</u>	<u>237</u>

The accompanying notes on pages 11 to 16 form part of these financial statements for the year ended 30 June 2020.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	US\$	US\$
Profit for the year	<u>268</u>	<u>237</u>
Total comprehensive income	<u>268</u>	<u>237</u>

The accompanying notes on pages 11 to 16 form part of these financial statements for the year ended 30 June 2020.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Notes	2020 US\$	2019 US\$
ASSETS			
Current assets			
Cash and cash equivalents	6	50,325	50,112
Trade and other receivables	7	121	66
Total assets		<u>50,446</u>	<u>50,178</u>
Net Assets		<u>50,446</u>	<u>50,178</u>
EQUITY			
Share capital	8	91,704	91,704
Accumulated losses	9	(41,258)	(41,526)
		<u>50,446</u>	<u>50,178</u>

The accompanying notes on pages 11 to 16 form part of these financial statements for the year ended 30 June 2020.

The financial statements were approved by the Board of Directors on 17 December 2020 and signed on its behalf by:



Stewart Forster Cox
Director



Deirdre Williams
Director

Registered number: 6683534

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 US\$	2019 US\$
Cash flows from operating activities			
Profit before taxation		213	292
Adjustment for:			
Financial income		(485)	(875)
Decrease in debtors		-	204
Net cash used in operating activities		(272)	(379)
Cash flows from investing activities			
Interest received		485	875
Net cash from investing activities		485	875
Net increase in cash and cash equivalents		213	496
Cash and cash equivalents at beginning of the period		50,112	49,616
Cash and cash equivalents at end of the period	6	50,325	50,112

The accompanying notes on pages 11 to 16 form part of these financial statements for the year ended 30 June 2020.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Share capital	Accumulated losses	Total equity
	US\$	US\$	US\$
Balance at 1 July 2018	91,704	(41,763)	49,941
Total comprehensive income for the year	-	237	237
Balance at 30 June 2019	<u>91,704</u>	<u>(41,526)</u>	<u>50,178</u>
Balance at 1 July 2019	91,704	(41,526)	50,178
Total comprehensive income for the year	-	268	268
Balance at 30 June 2020	<u><u>91,704</u></u>	<u><u>(41,258)</u></u>	<u><u>50,446</u></u>

The accompanying notes on pages 11 to 16 form part of these financial statements for the year ended 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS 0 FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Basic of preparation

BHP Billiton Finance Plc (the “Company”) is a company incorporated and domiciled in the UK. This is a for-profit entity. The financial statements were authorised for issue by the Directors on 17 December 2020.

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (‘IFRSs’).

b) Basis of measurement

The financial statements are drawn up on the basis of historical cost principles.

All amounts are expressed in US dollars, unless otherwise stated, consistent with the functional currency of the Company’s operations. Amounts in this financial report have, unless otherwise indicated, been rounded to the nearest US dollar.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

c) Going concern basis

These financial statements have been prepared on a going concern basis which Directors believe appropriate due to the Company’s strong financial position. Management performed a going concern assessment by reviewing Company’s cash flows for the next 12 months from the date of financial statements. Based on the assessment Management concluded that its cash and cash equivalents balance is sufficient to meet the Company’s liabilities for the next 12 months as they fall due for payment.

The Directors have also considered the potential impact of the Coronavirus (COVID-19) pandemic on the Company’s principal activities and future cash flows. To date, the impact of the pandemic on the Company’s business has been minimal. In particular, Company’s customers, who are all members of the BHP Group, continue to service their financing arrangements. Based on Management’s current knowledge and available information, COVID-19 is not expected to have an impact on Company’s ability to continue as a going concern.

d) Foreign currency

The Company’s reporting currency is the US dollar as this is the principal currency of the economic environments in which it operates.

Transactions in foreign currencies are translated to the Company’s functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

e) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost as reduced by an appropriate allowance for irrecoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (continued)

f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

g) Share capital

Dividends unpaid at the reporting date sheet are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

i) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. These standards have not been applied in the preparation of these financial statements.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2 Administrative expenses

	2020 US\$	2019 US\$
Bank charges	(272)	(583)
Total Administrative expenses	(272)	(583)

3 Finance income

	2020 US\$	2019 US\$
Interest income	485	871
Unrealised foreign exchange gain	-	4
Net finance income	485	875

4 Auditor's remuneration

	2020 US\$	2019 US\$
Audit of these financial statements	19,000	19,000
Total auditor's remuneration	19,000	19,000

In line with the contractual arrangement between the Auditors and the BHP Group, the audit fee for the financial statements of the Company is borne by another BHP Group entity and therefore not included within the Administrative expenses of the Company.

5 Taxation

	2020 US\$	2019 US\$
Reconciliation of tax credit		
Profit before taxation	213	292
<i>Tax charge using the UK corporation tax rate of 19% (2019: 19%)</i>	40	55
<i>Effects of:</i>		
<i>Utilisation of losses on which no deferred tax asset is provided</i>	(40)	nil
<i>Adjustment in respect of prior periods</i>	(55)	nil
Total tax (credit)/ charge for the year	(55)	55

United Kingdom taxation

A reduction in the United Kingdom corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016 but was reversed prior to it taking effect. The law to maintain the rate at 19% was substantively enacted on 17 March 2020. The Company is a member of a group for purposes of relief under Part 5 Corporation Tax Act 2010.

The company has tax losses of \$1,907 (PY: \$2,413) on which deferred tax is not recognised as it is not probable that there will be future taxable profits against which the losses may be utilised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

6 Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents include highly liquid investment that are readily convertible to cash and with a maturity of less than 90 days.

	2020 US\$	2019 US\$
Cash and cash equivalents:		
Cash in bank	50,325	50,112
Total cash and cash equivalents	50,325	50,112

7 Trade and other receivables

	2020 US\$	2019 US\$
Tax recoverable	121	66
Total trade and other receivables	121	66

8 Share capital

	2020 US\$	2019 US\$
Share capital		
Balance at the start of the financial year	91,704	91,704
Balance at the end of the financial year	91,704	91,704

	2020 Shares	2019 Shares
Shares issued		
Ordinary shares of £1.00 each fully paid	50,000	50,000

9 Accumulated losses

	2020 US\$	2019 US\$
Balance at the beginning of the financial year	(41,526)	(41,763)
Net profit attributable to members of BHP Billiton Finance Plc	268	237
Balance at the end of the financial year	(41,258)	(41,526)

10 Financial instruments

The Company may enter into various types of financial instruments such as currency and interest rate swaps and interest rate derivatives for the purpose of managing foreign exchange and interest rate risk exposures.

The entire Company's surplus cash is invested as cash placed on deposit.

The Company's treasury policy has as its principal objective the achievement of the maximum interest rate on cash balances whilst maintaining an acceptable level of risk. Other than mentioned below there are no financial instruments, derivatives or commodity contracts used.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

10 Financial instruments (continued)

Financial assets and liabilities

The Company's main financial asset comprises cash and cash equivalents. As at 30 June 2020 the Company had no credit balances with group undertakings.

The Company had no financial liabilities within the scope of IFRS 9 as at 30 June 2020.

Amortised costs

Upon adoption of IFRS 9, financial assets carried at amortised cost are tested for impairment based on expected losses, whereas the previous policy required that impairments were recognized only when there was objective evidence that a credit loss was present.

Market risks

- *Interest rate risk*
The Company may use derivatives, such as interest-rate swaps and forward rate agreements to manage the exposure to movements in interest rates and thus to help achieve target levels of interest income or expense.
- *Foreign exchange risk*
Foreign exchange derivatives, including forward exchange contracts, currency swaps and currency options may be used for managing currency exposure and cash management.
- *Liquidity risk*
The Company is an issuer entity under the BHP Group's A\$ 5,000,000,000 Medium Term Note Programme and under the EUR 20,000,000,000 Euro Medium Term Note Programme. The Company has not issued any debt securities under these capital market programmes and has no financial liabilities outstanding at the end of the financial period. At the approval date of these financial statements the Company is not in the process of issuing any debt securities under the above programmes.

Additionally, the Company has access to committed bank facilities totaling US\$ 5,500,000,000. As at 30 June 2020 there was US\$ nil drawn under the facility (2019: US\$ nil).

Credit risk

- All counterparty limits are approved according to the guidelines provided by the Financial Risk Management Committee (FRMC) and banks' credit worthiness are continually reviewed in line with Group Treasury policies that are also applicable for the Company.

At the time of reporting and during the period since its incorporation the Company has not entered into any derivative contracts. At the end of the reporting period the Company's only financial instruments are cash and cash equivalents. The maximum amount of credit risk in relation to these financial assets is represented by their carrying value in the Company's balance sheet (these carrying values approximate the fair values of the financial assets).

Capital management

The Company defines capital as the total equity of the Company. BHP Group manages capital with the goal of maintaining levels of gearing designed to optimize the cost of capital and return on capital employed, while also growing the business consistently through project developments and acquisitions. The Group's strategy is to own and operate large, long-life, low-cost, expandable upstream assets diversified by commodity, geography and market.

The Group's priorities are:

- maintain plant and equipment to enable safe and efficient operations over the long term;
- keep balance sheet strong, to give stability and flexibility through good times and tough times;
- reward shareholders by paying out at least 50 per cent of underlying attributable profit in dividends at every period.

Any excess capital that remains after these three priorities are met, the Group will decide whether to:

- further reduce our debt;
- return more cash to shareholders through additional dividends or share buy-backs;
- invest in growth, either through projects within our assets or through exploration or acquisitions, provided it will create more value than a share buy-back.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

11 Contingencies

As at 30 June 2020 the Company had no contingent liabilities (2019: US\$ nil) in respect of bank and contractual performance guarantees and other matters arising in the ordinary course of business entered into.

12 Related parties

Identity of related parties

The Company has a related party relationship with its ultimate holding Company and its Directors.

The Company did not employ any staff during the current period, and has not employed any staff since its incorporation. None of the directors received any remuneration during the financial year in respect of their services as directors of the Company. The group accounts of its parent are required to give, on a group-wide basis, the non-audit fee disclosures required by the Regulation.

Transactions with group companies:

There were no transactions with related parties during the year ended 30 June 2020 (30 June 2019: US\$ nil).

Transactions with key management personnel:

The Directors are the key management personnel of the Company. None of the Directors own shares in the Company.

The present directors are employed by, and receive remuneration for their services from, other Group companies.

As no significant time was spent by directors on the Company's affairs, no directors' remuneration was allocated to the Company.

13 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of BHP Group Plc incorporated in the United Kingdom.

The largest and smallest group in which the results of the Company are consolidated is that headed by BHP Group Plc incorporated in the United Kingdom. The consolidated accounts of this Company are available to the public and may be obtained from Company Secretariat. Copies of the BHP Group Plc consolidated financial statements are available from Nova South, 160 Victoria Street London, SW1E 5LB, United Kingdom. No other group accounts include the results of the Company.

15 Subsequent events

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may affect the operations, the results of operations or the state of affairs of the Company.