BHP Billiton Limited (single parent entity)

ABN 49 004 028 077

Financial Statements - 30 June 2003

Contents

Registered Address:
180 Lonsdale Street, Melbourne, Victoria, Australia

BHP Billiton Limited (single parent entity)
Statement of financial performance
For the year ended 30 June 2003

	Notes	**2003 $M**	2002 $M
Revenue from ordinary activities	2	**3,827**	2,341
Expenses from ordinary activities excluding depreciation and borrowing costs expense	3	**(1,842)**	(757)
Depreciation expense	3	**(9)**	(8)
Borrowing costs expense	3	**(696)**	(653)
Profit/(loss) from ordinary activities before income tax expense		**1,280**	923
Income tax (expense)/benefit relating to ordinary activities	4	**(99)**	50
Net profit/(loss) from ordinary activities after income tax expense		**1,181**	973
Total changes in equity other than those resulting from transactions with owners as owners	21	**1,181**	973

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

BHP Billiton Limited (single parent entity)
Statement of financial position
As at 30 June 2003

	Notes	**2003 $M**	2002 $M
Current assets			
Cash assets	5	**1**	83
Receivables (a)	6	**24,004**	30,044
Other	7	**1**	1
Total current assets		**24,006**	30,128
Non-current assets			
Receivables	8	**4,909**	2,096
Other financial assets	9	**22,308**	19,525
Property, plant and equipment	10	**5**	34
Deferred tax assets	11	**52**	198
Other	12	**2**	3
Total non-current assets		**27,276**	21,856
Total assets		**51,282**	51,984
Current liabilities			
Payables (a)	13	**33,263**	33,200
Interest bearing liabilities	14	**1**	4
Current tax liabilities	15	**7**	96
Provisions	16	**678**	734
Total current liabilities		**33,949**	34,034
Non-current liabilities			
Interest bearing liabilities	17	**6,153**	4,712
Provisions	18	**71**	39
Total non-current liabilities		**6,224**	4,751
Total liabilities		**40,173**	38,785
Net assets		**11,109**	13,199
Equity			
Contributed equity	19	**3,242**	5,638
Reserves	20(a)	**727**	689
Retained profits	20(b)	**7,140**	6,872
Total equity	21	**11,109**	13,199

(a) The majority of these balances represent amounts which are receivable and payable internal to the Group. The Company has control of payment of these amounts and will manage them to ensure that at all times it has sufficient funds available to meet its commitments.

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

	Notes	**2003 $M**	2002 $M
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**-**	21
Payments to suppliers and employees (inclusive of goods and services tax)		**(541)**	(499)
		(541)	(478)
Management fees and royalties		**232**	159
Dividends received		**825**	804
Interest received		**1,406**	1,176
Borrowing costs		**(696)**	(653)
Income taxes (paid)/refunded		**(32)**	130
Other		**1**	-
Net cash inflow from operating activities	33	**1,195**	1,138
Cash flows from investing activities			
Payments for property, plant and equipment		**(3)**	(2)
Proceeds from sale of property, plant and equipment		**15**	20
Investments in controlled entities		**(4,585)**	(693)
Proceeds from sale of controlled entities, net of the costs of transactions		**1,331**	126
Net cash outflow from investing activities		**(3,242)**	(549)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**156**	264
Proceeds from calls on shares and calls in arrears		**18**	-
Payment for shares bought back		**-**	(36)
Payments relating to ESP cessation		**-**	(263)
Proceeds from sale of employee share plan loans		**120**	-
Dividends paid		**(913)**	(900)
Loans to Group companies		**(2,048)**	(7,561)
Repayments of loans from Group companies		**4,657**	8,000
Other		**(22)**	(21)
Net cash inflow (outflow) from financing activities		**1,968**	(517)
Net (decrease) increase in cash held		**(79)**	72
Cash at the beginning of the financial year		**79**	7
Cash at the end of the financial year	5	**-**	79

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

Note 1. Summary of significant accounting policies

These general purpose financial statements have been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.
Pursuant to Section 340 of the Corporations Act 2001, the Australian Securities and Investments Commission issued an order dated 2 September 2002 that granted relief from the requirement under the Act to distribute single entity financial statements to those members who request a full financial report. The order required the accounts to be available on the Company's website and to be available to members by request free of charge.

This order grants relief from the following requirements of subsection 296(1) of the Corporations Act 2001:

(i) consolidated financial statements and notes thereto;
(ii) any segment information;
(iii) any earnings per share information;
(iv) the identity and country of incorporation of controlled entities;
(v) any financial instruments information;
(vi) any note disclosures required by accounting standards in relation to those single entity financial statements that are included in a full financial report containing Combined Financial Statements.

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation.

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparatibility.

(b) Changes in accounting policies

Provisions and contingent liabilities

Australian Accounting Standard 1044 Provisions, Contingent Liabilities and Contingent Assets, was first adopted from 1 July 2002, which resulted in the company no longer disclosing contingent liabilities where the likelihood of the transfer of future economic benefit is remote. The change in policy had no impact on net profit attributable to members of the company.

Foreign currency translation

Revised Australian Accounting Standard 1012 Foreign Currency Translation, was first adopted from 1 July 2002.

For hedges of specific purchases of sales, the gains or costs on entering the hedge and the exchange differences up to the date of the purchase or sale are now deferred and recognised as assets or liabilities on the statement of financial position from the inception of the hedge contract, rather than when the specific purchase of sale occurs.

There was no impact on the statement of financial performance, statement of financial position or retained earnings in the current year as a result of this change in accounting policy.

Note 1. Summary of significant accounting policies (continued)

(c) Currency of presentation

All amounts are expressed in Australian dollars unless otherwise stated.

(d) Rounding of amounts

Amounts in the financial report have been rounded off to the nearest million dollars, or in certain cases, to the nearest dollar.

(e) Taxation

Tax-effect accounting is applied in respect of income tax and resource rent tax. Deferred tax liabilities, the provision for resource rent tax (non-current liabilities) and deferred tax assets (non-current assets) represent the tax effect of timing differences which arise from the recognition in the accounts of items of revenue and expense in periods different to those in which they are assessable or allowable for income tax or resource rent tax purposes.

Income taxes have not been provided on undistributed overseas earnings of controlled entities to the extent the earnings are intended to remain indefinitely invested in those entities. Any such amount is immaterial.

Future income tax and capital gains tax benefits in respect of losses incurred by BHP Billiton Group companies together with carried forward resource rent tax benefits are included in the Statement of Financial Performance where realisation of the benefits is considered to be virtually certain. In so doing it is recognised that the realisation of the benefits will depend upon:

(a) an expectation that legislation will not change in a manner which would adversely affect the ability of the companies concerned to realise the benefits;

(b) the ability of the companies concerned to comply with the conditions for deductibility imposed by law; and

(c) the ability of the companies concerned to either derive future assessable income of a nature and of sufficient amount to enable the benefits to be realised, or to transfer tax losses to related companies.

Deferred tax assets and liabilities are carried at the rates that are expected to apply when the balances are settled.

Capital gains tax, if applicable, is provided for in establishing period income tax expense when an asset is sold. Revaluations of non-current assets in prior years, take account of any potential capital gains tax.

(f) Tax Consolidation Regime

The Australian Federal Government has introduced consolidations tax law, which enables an Australian group of companies to be treated as a single entity and to lodge a single tax return, if the Group makes an election, which is voluntary.

The election to consolidate can be made from the 2003 financial year and to be eligible the head company of the wholly-owned group of entities will need to make an irrevocable choice to consolidate with its wholly-owned Australian subsidiaries for income tax purposes. This election needs to be made to the Australian Taxation Office (ATO) by the time the Group lodges its first consolidated income tax return (being 1 December for the prior year ending 30 June). Upon such election, all of the wholly owned subsidiaries will become “subsidiary members” of the consolidated group and together with the head company will constitute the members of the group.

Note 1. Summary of significant accounting policies (continued)

The new Consolidations tax law rules also provide the means for pooling of Group franking credits and disregarding intra-group transactions in calculating tax liabilities. Groups that do not elect to form a consolidated group will not be able to use existing grouping rules, including grouping of tax losses and rollover of capital gains tax assets. Complex rules applicable upon election, restrict the ability to bring tax losses into a consolidated group and permit reset of the tax cost base of assets in certain circumstances. These could impact both the Group's deferred tax assets and liabilities at the time of election and its current tax payable from the first affected period.

The Group has yet to decide whether or not to elect under the consolidations regime, so any impact on the financial statements has not yet been determined. It is anticipated the Group will be able to determine this position late in the 2003 calendar year. In the event that the Group elects to consolidate, there is not expected to be any adverse effect on recorded tax assets.

(g) Foreign currency translation

Transactions denominated in foreign currencies are recorded using the exchange rate ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the end of the period and the gains or losses on retranslation are included in the statement of financial performance, with the exception of foreign exchange gains or losses on foreign currency provisions for site restoration and rehabilitation which are capitalised in property, plant and equipment, and foreign exchange gains and losses on foreign exchange currency borrowings designated as a hedge of foreign currency net assets of self sustaining operations.

(h) Revenue recognition

Sales revenue

Revenue from the sale of goods and disposal of other assets is recognised when persuasive evidence, usually in the form of an executed sales agreement, of an arrangement exists indicating there has been a transfer of title, risks and rewards to the customer, no further work or processing is required by the company, the quantity and the quality of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectibility is reasonably assured.

In the majority of sales for most commodities, sales agreements specify that title passes on the bill of lading date, which is the date the commodity is delivered to the shipping agent. Revenue is recognised on the bill of lading date.

In cases where the terms of the executed sales agreement allows for an adjustment to the sales price based on a survey of the goods by the customer (for instance an assay for mineral content), recognition of a portion of the sales price as revenue is deferred at the time of shipment until a final adjustment is determined. Historically these adjustments have been insignificant.

Dividend Revenue

Revenue from distributions from controlled entities is recognised when they are declared by the controlled entities.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Management fee revenue

Management fee revenue is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Note 1. Summary of significant accounting policies (continued)

(i) Borrowing costs

Borrowing costs are generally expensed as incurred except where they relate to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Borrowing costs are capitalised up to the date when the asset is ready for its intended use.

The amount of borrowing costs capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(j) Cash

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(k) Inventories

Inventories, including work in progress, are valued at the lower of cost and net realisable value. Cost is determined primarily on the basis of average costs. In some cases, the first-in-first-out method or actual cost method is used. For processed inventories, cost, which includes fixed and variable overheads, is derived on an absorption costing basis.

(l) Property, plant and equipment

Valuation in accounts

Property, plant and equipment has been recorded at cost.

Current values of land and buildings

The current value of land is determined mainly be reference to rating authority valuations, or cost for recent acquisitions, except where land is an integral part of a producing asset with no significant value beyond such use, in which case book value is used.

The current value of buildings is based primarily on depreciated replacement value. Buildings which are integral parts of producing plant are classified as plant and equipment and accordingly excluded from this valuation.

The current values of land and buildings are disclosed in note 10.

Disposals

Disposals are taken to account in profit/(loss) from ordinary activities, except where they represent the sale or abandonment of a significant business or all of the assets associated with such a business, and are not considered to be of a recurring nature, in which case they are treated as significant items.

Note 1. Summary of significant accounting policies (continued)

(m) Depreciation of property, plant and equipment

Depreciation is provided on the book value of buildings, plant, machinery, mineral rights and other items (including the original capital expenditure and any subsequent expenditure) used in producing revenue, at rates based on the following expected useful lives:

Category	Useful life	Depreciation basis
Land	Not depreciated	
Buildings	Up to 40 years	Straight line
Plant, machinery and equipment	Up to 30 years	Straight line
Capitalised leased assets	Up to 30 years or life of lease, whichever is shorter	Straight line
Computer systems	Up to 8 years	Straight line

(n) Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their fair value as at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(o) Investments

Investments in controlled entities are recorded at cost.

Other investments are recorded at cost and dividend income is recognised in the statement of financial performance on a receivable basis.

(p) Recoverable amount of non-current assets

All non-current assets, (excluding exploration expenditure which qualifies for capitalisation), are reviewed at least annually to determine whether their carrying amounts require write-down to recoverable amount. Assets may be reviewed more regularly if an event or change in circumstances indicates that the carrying amount of an asset may not be recoverable.

If the asset is determined to be impaired, an impairment loss will be recorded, and the asset written down, based on the amount by which the asset carrying value exceeds the higher of the net realisable value and estimated recoverable amount. Estimated recoverable amount is determined using expected net cash flows discounted at risk adjusted market-based discount rates. For the current year the rates applied were between 12.9% and 15.0% (2002: 12.9% and 15.0%).

Future cash flows are estimated based on production and sales plans, commodity prices (considering current and historical prices, price trends and related factors), recoverable reserves, operating costs, reclamation costs and planned capital costs. These estimates are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverability of these assets.

Note 1. Summary of significant accounting policies (continued)

(q) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Assets acquired under finance leases are capitalised. Lease payments are allocated between borrowing costs and a reduction in the lease liability.

Operating lease assets are not capitalised and, except as described below, rental payments are included in the statement of financial performance in the period in which they are incurred. Provision is made for future operating lease payments in relation to surplus lease space when it is first determined that the space will be of no probable future benefit. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and the liability.

(r) Employee benefits

Provision is made in the accounts for all employee benefits, including on-costs. In relation to industry-based long service leave funds, BHP Billiton Limited's share of receivables and payables, including obligations for funding shortfalls, have been recognised.

Expenses for defined benefit pension schemes and unfunded post-retirement medical schemes are recognised on a cash basis. Refer also to Note 41 "Superannuation, Pension and Post Retirement Medical Benefits" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

(s) Employee share awards

The estimated cost of awards made by BHP Billiton Limited is charged to profit over the period to the date of expected vesting or the performance period, as appropriate. Where shares are bought on market to satisfy the delivery of shares on vesting, the cost of these share investments is included within other non-current financial investments less amounts charged to profit relating to those shares.

The estimated cost of awards is the market value of shares awarded (in the case of the Group Incentive Scheme Performance Shares, Performance Rights, the Bonus Equity Plan, the Restricted Share Scheme and Co-Investment Plan) or the intrinsic value of options awarded (being the difference between the exercise price and the market price at date of grant, measured at the date of the granting of the award), adjusted to reflect the impact of performance conditions, where applicable.

(t) Provision for restoration and rehabilitation

BHP Billiton Group companies are generally required to restore mines, oil and gas facilities and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with BHP Billiton Group's environmental policies.

The expected cost of any committed decommissioning or restoration program, discounted to its net present value, is provided at the beginning of each project, based on the company's interpretation of environment and regulatory requirements and its own environmental policies where these are more onerous. The cost is capitalised where it gives rise to future benefits. The capitalised cost is amortised over the life of the operation and the annual increase in the net present value of the provision for the expected cost is included in borrowing costs.

Note 1. Summary of significant accounting policies (continued)

Expected cost is based on current costs and current technology, encompassing the closure and removal or disposal of facilities, and site clean-up and rehabilitation. Much of the restoration and rehabilitation work can be done only after the termination of operations, which will generally be many years hence, and accordingly the consideration of work required takes into account current and anticipated legal obligations and industry best practice.

The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances. Such costs are recognised where environmental contamination as a result of oil and chemical spills, seepage or other contingent events gives rise to a loss which is probable and reliably estimable.

The cost of ongoing programs to prevent and control pollution and to rehabilitate the environment is charged to the statement of financial performance as incurred.

(u) Use of estimates

The preparation of BHP Billiton Limited's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported turnover and costs, during the reported period. On an ongoing basis, management evaluates its estimates and judgements in relation to assets, liabilities, contingent liabilities, turnover and costs. Management bases its estimate and judgements on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Note 2. Revenue from ordinary activities

	2003 $M	2002 $M
Revenue from non-operating activities		
Management fees received from controlled entities	**232**	209
Interest from controlled entities	**1,403**	1,144
Interest	**3**	32
Dividends from controlled entities	**825**	804
Foreign currency translation gains	**17**	-
Other revenue	**1**	6
Proceeds from the sale of non current assets - non related parties	**143**	146
Proceeds from the sale of non current assets - related parties	**1,203**	-
Revenue from ordinary activities	**3,827**	2,341

Note 3. Profit from ordinary activities

	2003 $M	2002 $M
Net gains and expenses		
Profit/(loss) from ordinary activities before income tax expense includes the following specific net gains and expenses:		
Net Gains		
Net gain on disposal		
Investments	**-**	53
Foreign exchange gains and losses		
Net foreign exchange losses	**-**	(5)
Net foreign exchange gains included in revenue	**17**	-
Net foreign exchange gain	**17**	(5)
Expenses		
Expenses from ordinary activities		
Net book value of non-current assets sold	**1,369**	91
Employee benefits expense	**236**	255
External services	**207**	241
Diminution in value of non-current assets	**-**	137
Changes in inventories of finished goods and work in progress	**-**	16
Foreign exchange variations	**-**	5
Other expenses from ordinary activities	**30**	12
Expenses from ordinary activities excluding borrowing costs expense	**1,842**	757
Depreciation		
Buildings	**2**	2
Plant and equipment	**7**	6
Total depreciation	**9**	8
Other charges against assets		
Write down of property, plant and equipment to net realisable value	**-**	15
Write down of investments to recoverable amount	**-**	122
Bad and doubtful debts - trade debtors	**-**	(23)
Borrowing costs		
Interest and finance charges paid/payable	**3**	10
Interest and finance charges paid/payable from related parties	**693**	643
Total borrowing costs	**696**	653
Net loss on disposal		
Investments	**19**	-
Property, plant and equipment	**4**	13
Material transfers to/(from) provision for		
Employee entitlements	**177**	149
Restructuring	**3**	11
Total transfer to/(from) provisions	**180**	160

Note 3. Profit from ordinary activities (continued)

	2003 $M	2002 $M
Defined benefit superannuation expense (note 28)	**7**	13
Rental expense relating to operating leases		
Minimum lease payments	**35**	23
Total rental expense relating to operating leases	**35**	23

Significant Items

Details in respect of the Note are set out in Note 2 "Significant Items" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 4. Income tax

	2003 $M	2002 $M
The income tax expenses for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
Profit/(loss) from ordinary activities before income tax expense/(benefit)	**1,280**	923
Prima facie tax calculated at 30 percent	**384**	277
Tax effect of permanent differences		
Non-deductible provisions	**(4)**	-
Rebate for dividends	**(248)**	(241)
Tax free gain on intercompany transfers	**-**	(16)
Differences due to overseas tax rate	**2**	-
Non tax-effected capital gains	**5**	-
Investment write-off	**-**	37
Foreign exchange and other translation adjustments	**-**	23
Other	**1**	-
Income tax adjusted for permanent differences	**140**	80
Intercompany tax loss transfers	**-**	(108)
Under (over) provision in prior year	**(41)**	(22)
Income tax expense/(benefit)	**99**	(50)

(a) No part of the future income tax benefit shown in note 11 is attributable to tax losses.

Note 5. Current assets - Cash assets

	2003 $M	2002 $M
Cash at bank and on hand	**1**	83

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2003 $M	2002 $M
Balances as above	**1**	83
Less: Bank overdrafts (note 14)	**1**	4
Balances as per statement of cash flows	**-**	79

Note 6. Current assets - Receivables

	2003 $M	2002 $M
Other debtors	**22**	73
Employee share plan loans	**2**	125
Receivable from controlled entities	**23,980**	29,846
	24,004	30,044

Note 7. Current assets - Other

	2003 $M	2002 $M
Prepayments	**1**	1

Note 8. Non-current assets - Receivables

	2003 $M	2002 $M
Other receivables	**40**	44
Employee share plan loan	**100**	107
Receivable from controlled entities	**4,769**	1,945
	4,909	2,096

Note 9. Non-current assets - Other financial assets

	2003 $M	2002 $M
Other (non-traded) investments		
Shares in controlled entities - at cost	**22,308**	19,525

Shares in controlled entities
During 2002, shares in controlled entities were written down to their assessed recoverable amount, being the present value of net cash inflows from expected future dividends and subsequent disposal of the shares. The discount rate used to determine the present value of the net cash inflows was 9% (after tax).

Note 10. Non-current assets - Property, plant & equipment

	2003 $M	2002 $M
Land & buildings		
At cost	**34**	47
Less: Accumulated depreciation	**31**	30
	3	17
Plant & equipment		
At cost	**79**	92
Less: Accumulated depreciation	**77**	76
	2	16
Assets Under Construction		
At cost	**-**	1
Total property, plant & equipment	**5**	34

Valuations of land and buildings
The current value of land is $nil (2002: $8m), and buildings is $nil (2002: $14m).

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

Property, plant & equipment	**Land & buildings $M**	**Plant and equipment $M**	**Assets under construction $M**	**Total $M**
Carrying amount at 1 July 2002	17	16	1	34
Disposals	(12)	(10)	(1)	(23)
Capital expenditure	-	3	-	3
Depreciation expense (note 3)	(2)	(7)	-	(9)
Carrying amount at 30 June 2003	3	2	-	5

Note 11. Non-current assets - Deferred tax assets

	2003 $M	2002 $M
Future income tax benefit	**52**	198

Note 12. Non-current assets - Other

	2003 $M	2002 $M
Other deferred costs and charges	**2**	3

Note 13. Current liabilities - Payables

	2003 $M	2002 $M
Trade creditors	**5**	9
Other payables	**36**	143
Payable to controlled entities	**33,222**	33,048
	33,263	33,200

Note 14. Current liabilities - Interest bearing liabilities

	2003 $M	2002 $M
Unsecured		
Bank overdraft (note 5)	**1**	4
Total unsecured current interest bearing liabilities	**1**	4

Note 15. Current liabilities - Current tax liabilities

	2003 $M	2002 $M
Income tax payable	**7**	96

Note 16. Current liabilities - Provisions

	2003 $M	2002 $M
Dividends	**445**	445
Restructuring	**45**	179
Employee benefits (note 29)	**131**	81
Restoration and rehabilitation	**41**	-
Other provisions	**16**	29
	678	734

Movements in current provisions

Movements in each class of provision during the financial year, are set out below.

	Dividends $M	**Restructuring $M**	**Employee benefits $M**	**Restoration and rehabilitation $M**	**Other $M**	**Total $M**
Carrying amount at 1 July 2002	445	179	81	-	29	734
Additional(reduction) provisions recognised	445	3	120	-	(14)	554
Payments/other sacrifices of economic benefits	(445)	(76)	(83)	-	-	(604)
Transfers/reclassifications	-	(61)	19	41	1	-
Other	-	-	(6)	-	-	(6)
Carrying amount at 30 June 2003	445	45	131	41	16	678

Note 17. Non-current liabilities - Interest bearing liabilities

	2003 $M	2002 $M
Unsecured		
Loan from controlled entities	**6,153**	4,712
Total unsecured non-current interest bearing liabilities	**6,153**	4,712

Note 18. Non-current liabilities - Provisions

	2003 $M	2002 $M
Restructuring	**-**	10
Employee benefits (Note 29)	**64**	26
Restoration and rehabilitation	**5**	-
Other provisions (i)	**2**	3
	71	39

(i) Other provision include Non-executive Directors retirement benefits of $2.4 million (2002: $3 million)

Movements in non-current provisions
Movements in each class of provision during the financial year are set out below.

	Restruc-turing $M	**Employee benefits $M**	**Restoration and rehabilita-tion $M**	**Other $M**	**Total $M**
Carrying amount at 1 July 2002	10	26	-	3	39
Additional provisions recognised	-	57	-	-	57
Payments/other sacrifices of economic benefits	-	-	(25)	-	(25)
Transfers/reclassifications	(10)	(19)	30	(1)	-
Carrying amount at 30 June 2003	-	64	5	2	71

Further details in respect of this note are set out in Note 29 "Other Provisions and Liabilities (Non-Current)" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 19. Contributed equity

Share Capital	**2003 Shares**	2002 Shares	**2003 $M**	2002 $M
Ordinary Shares - Fully Paid	**3,747,687,775**	3,724,893,687	**3,241**	5,636
Ordinary Shares - Partly Paid to $1.40 (2002: 71 cents)	**240,000**	320,000	**-**	-
Ordinary Shares - Partly Paid to $1.36 (2002: 67 cents)	**1,095,000**	3,205,000	**1**	2
Special voting share	**1**	1	**-**	-
	3,749,022,776	3,728,418,688	**3,242**	5,638

Further details in respect of this Note are set out in Note 30 "Contributed Equity and Called Up Share Capital" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 20. Reserves and retained profits

	2003 $M	2002 $M
(a) Reserves		
General reserve	**665**	627
Asset realisation reserve	**62**	62
	727	689
Movements:		
General reserve		
Balance 1 July	**627**	627
BHP Steel demerger	**38**	-
Balance 30 June	**665**	627
Asset realisation reserve		
Balance 1 July	**62**	62
Balance 30 June	**62**	62

(b) Retained profits

	2003 $M	2002 $M
Retained profits at the beginning of the financial year	**6,872**	6,826
Net profit/(loss) attributable to members of BHP Billiton Limited (single entity)	**1,181**	973
Dividends provided for or paid (note 22)	**(913)**	(891)
Share buy-back program (i)	**-**	(36)
Retained profits at the end of the financial year	**7,140**	6,872

(i) Further details in respect of the share buy-back program are set out in Note 30 "Contributed Equity and Called Up Share Capital" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 21. Equity

	2003 $M	2002 $M
Total equity at the beginning of the financial year	**13,199**	12,958
Total changes in equity recognised in the statement of financial performance	**1,181**	973
Transactions with owners as owners:		
Contributions of equity, net of transaction costs (note 19)	**173**	195
Dividends provided for or paid (note 22)	**(913)**	(891)
Capital reduction BHP Steel demerger	**(2,531)**	-
Share buy-back program (note 20)	**-**	(36)
Total equity at the end of the financial year	**11,109**	13,199

Note 22. Dividends

	2003 $M	2002 $M
Dividends declared	**445**	425
Dividends paid	**468**	466
Total dividends provided for or paid	**913**	891

Further details in respect of this Note are set out in Note 11 "Dividends" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 23. Remuneration of directors and executive officers

Details in respect of this Note are set out in Note 42 "Remuneration of Directors and Executive Officers and Retirement Payments Approved in General Meeting" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 24. Retirement benefits of directors

Details in respect of this Note are set out in Note 42 "Remuneration of Directors and Executive Officers and Retirement Payments Approved in General Meeting" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 25. Remuneration of auditors

	2003 $	2002 $
During the year, the auditor of the company and its related practices earned the following remuneration:		
PricewaterhouseCoopers - Australian firm		
Audit or review of financial reports of the entity or any entity in the consolidated entity	**3,120,532**	-
Other services	**807,148**	-
Total remuneration	**3,927,680**	-
KPMG - Australian firm		
Audit or review of financial reports of the entity or any entity in the consolidated entity	**2,094,677**	-
Other services	**785,849**	-
Total remuneration	**2,880,526**	-
Other Auditors		
Audit and other assurance services	**1,718,080**	1,415,000
Other services	**183,904**	3,247,000
Total remuneration	**1,901,984**	4,662,000

Note 26. Contingent liabilities

	2003 $M	2002 $M
Contingent liabilities at balance date, not otherwise provided for in these accounts, are categorised as arising from:		
Controlled entities - unsecured	**12,078**	12,504
Other unrelated parties	**745**	865
	12,823	13,369

Further details in respect of this Note are set out in Note 39 "Contingent Liabilities" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited

Note 27. Commitments for expenditure

	2003 $M	2002 $M
Lease commitments		
Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**32**	21
Later than one year but not later than 5 years	**54**	8
Commitments not recognised in the financial statements	**86**	29

Note 28. Superannuation Commitments

Details in respect of this note are set out in Note 41 "Superannuation, Pension and Post Retirement Medical Benefits" of the Combined Financial Statements for the year ended 30 June 2003 of the BHP Billiton Limited.

Note 29. Employee benefits

	2003 $M	2002 $M
Employee benefit and related on-costs liabilities		
Provision for employee benefits - current (note 16)	**131**	81
Provision for employee benefits - non-current (note 18)	**64**	26
Aggregate employee benefit and related on-costs liabilities	**195**	107

	Number	Number
Employee numbers		
Number of employees at the reporting date	**476**	609

Note 30. Related parties

(a) Directors and Director-related entities

Disclosures related to Directors and Director-related entities are set out in Note 46 "Related Parties" and Note 42 "Remuneration of Directors and Executive Officers and Retirement Payments Approved in General Meeting" of the Combined Financial Statement for the year ended 30 June 2003 for BHP Billiton Limited.

(b) Controlled entities

Information relating to controlled entities are contained in the following notes:
Note 2: Revenue from ordinary activities
Note 3: Profit from ordinary activities
Note 6: Current assets - Receivables
Note 8: Non-current assets - Receivables
Note 9: Non-current assets - Other financial assets
Note 13: Current liabilities - Payables
Note 17: Non-current liabilities - Interest bearing liabilities
Note 26: Contingent liabilities

Further disclosures related to controlled entities are set out in Note 45 "Major Controlled Entities" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

(c) BHP Billiton Plc

On 29 June 2001, BHP Billiton Limited (previously known as BHP Limited), an Australian listed Company, and BHP Billiton Plc (previously known as Billiton Plc), a UK listed Company, entered into a Dual Listed Companies (DLC) merger. For an explanation of the DLC arrangements, refer to "Dual Listed Companies Structure and Basis of Preparation of Financial Statements" in the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 31. Employee ownership plans

Details in respect of this Note are set out in Note 31 "Employee Share Ownership Plans" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 32. Events occurring after reporting date

Details of the BHP Steel demerger in July 2002, including the effects of the capital reduction, are set out in Note 3 "Discontinued Operations" of the Combined Financial Statements for the year ended 30 June 2003 of BHP Billiton Limited.

Note 33. Reconciliation of profit/(loss) from ordinary activities after income tax to net cash inflow/(outflow) from operating activities

	2003 **$M**	2002 $M
Profit/(loss) from ordinary activities after income tax	**1,181**	973
Depreciation and amortisation	**9**	8
Net (gain)/loss on sale of property, plant and equipment	**4**	(13)
Net (gain)/loss on sale of investments	**19**	(53)
Write down of property, plant and equipment and investments	**-**	137
Change in operating assets and liabilities		
Decrease (increase) in trade debtors	**-**	21
Decrease (increase) in sundry and other receivables	**55**	(33)
Decrease (increase) in inventories	**-**	16
Decrease (increase) in future income tax benefit	**146**	12
Decrease (increase) in prepayments and deferred charges	**1**	-
(Decrease) increase in trade creditors	**(4)**	34
(Decrease) increase in sundry and other payables	**(107)**	25
(Decrease) increase in provision for income taxes payable	**(89)**	70
(Decrease) increase in other provisions and liabilities	**(24)**	(36)
Other movements	**4**	(23)
Net cash inflow/(outflow) from operating activities	**1,195**	1,138

Note 34. Non-cash financing and investing activities

	2003 **$M**	2002 $M
Employee Share Plan loan instalments	**4**	12

The Dividend Investment Plan is an application of dividends. The Employee Share Plan loan instalments represent the repayment of loans outstanding with the BHP Billiton Limited Group, by the application of dividends.

Note 35. Financing facilities

	2003 **$M**	2002 $M
Unsecured bank overdraft facility, reviewed annually and payable at call:		
Amount used	**1**	4
Amount unused	**9**	6
Total facility available	**10**	10

BHP Billiton Limited (single parent entity)
Directors' declaration
30 June 2003

As disclosed in Note 1 'Basis of accounting', the Directors have prepared this financial report in accordance with the Australian Securities and Investments Commission order dated 2 September 2002, which granted relief from specific requirements of subsection 296(1) of the Corporations Act 2001.

In accordance with a resolution of the Directors of BHP Billiton Limited, the Directors declare that the financial statements and notes set out on pages 1 to 25:

(a) Comply with applicable Accounting Standards and Corporations Regulations 2001; and

(b) Give a true and fair view of the financial position of BHP Billiton Limited as at 30 June 2003 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

In the Directors' opinion:

(a) The financial statements and notes are in accordance with the Corporations Act 2001; and

(b) There are reasonable grounds to believe that BHP Billiton Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

D R Argus
Director

C W Goodyear
Director

Melbourne
9th day of September 2003

Independent audit report to the members of BHP Billiton Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for BHP Billiton Limited ("the Company"), for the year ended 30 June 2003.

As disclosed in Note 1 'Basis of accounting', the Directors have prepared this financial report in accordance with the Australian Securities and Investments Commission order dated 2 September 2002, which granted relief from specific requirements of subsection 296(1) of the Corporations Act 2001.

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

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.

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to 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 control, 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 assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards in Australia and other mandatory professional reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of 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.

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 BHP Billiton Limited is in accordance with:

a) the Corporations Act 2001, including:

   i. giving a true and fair view of the Company's financial position as at 30 June 2003 and of its performance for the financial year ended on that date; and

   ii. complying with Accounting Standards in Australia to the extent described in Note 1 to the financial statements and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

PricewaterhouseCoopers

PricewaterhouseCoopers
Geoffrey M. Cottrell
Partner

Melbourne
9th September 2003

KPMG

KPMG
William J. Stevens
Partner

Melbourne
9th September 2003