FAIRFAX REPORT

John Fairfax Holdings Limited ABN 15 008 663 161

Fairfax Full Financial Report 2001

for the year ended 30 June 2001

FINANCIAL DIRECTORY

DIRECTORS' REPORT

The directors present their report for the financial year ended 30 June 2001.

Directors

The directors of the Company in office at the date of this report are:

Mr Brian Powers
Non-executive Chairman

Mr Jonathan Pinshaw
Non-executive Director

Mr Mark Burrows
Non-executive Director

Sir Roderick Carnegie
Non-executive Director

Mr David Gonski
Non-executive Director

Mr Frederick G. Hilmer
Chief Executive Officer

Mrs Julia King
Non-executive Director

Mr Dean Wills
Non-executive Director

All present directors were in office throughout the financial year and up to the date of this report.

Mr David Shein resigned from the Board on 18 September 2001.

A profile of each director is included on page 6 of the Company's Concise Report.

Corporate Structure

John Fairfax Holdings Limited is a company limited by shares that is incorporated and domiciled in Australia.

Principal Activities

The principal activities of the consolidated entity during the course of the financial year were news, information and entertainment publishing and advertising sales in newspaper, magazine and electronic formats. Internet businesses include News and Classified and Citysearch Directories.

During the financial year the Group sold its internet auctions business SOLD.com.au. No other significant change in the nature of activities took place during the year.

Consolidated Result

The consolidated profit attributable to the consolidated entity for the financial year was $128,069,000 (2000: $185,751,000).

Dividends

A final fully franked dividend of 7.0 cents per ordinary share and debenture in respect of the year ended 30 June 2000 was paid on 17 October 2000. This dividend was shown as approved in the previous annual report.

An interim fully franked dividend of 4.5 cents per ordinary share and debenture in respect of the year ended 30 June 2001 was paid on 16 March 2001.

The Board has approved a final fully franked dividend of 7.0 cents per ordinary share and debenture in respect of the year ended 30 June 2001 to be paid on 17 October 2001.

Review of Operations

A review of the operations of the consolidated entity for the financial year is set out on pages 7 to 9 of the Concise Report.

Significant Change in State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or elsewhere in the Concise Report.

Subsequent Events

From the end of the financial year to the date of this report, no transaction or event has arisen 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.

Likely Developments and Expected Results

Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years has not been included in this report because, in the opinion of the directors, to do so would prejudice the interests of the consolidated entity.

Environmental Regulation and Performance

In 1999 the Company appointed an independent expert to audit performance in relation to environmental regulation.
This year the Company again appointed an independent expert to audit performance in relation to environmental regulation. This year's audit covered an increased number of the Company's facilities. The audit has been completed.

The audit:

- did not reveal any material non-compliance with environmental regulation;
- described a substantial improvement in the Company's environmental performance in relation to environmental regulation;
- described a high level of implementation of recommendations that were made in the 2000 audit report; and
- made further recommendations which are now being implemented.

Rounding

The amounts contained in this report and the financial report have been rounded off under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

DIRECTORS' REPORT

Directors' Interests

The relevant interest of each director in the share capital of the Company, as at the date of this report is:

Director	Fully Paid Ordinary Shares	Fully Paid Debentures	Options Over Ordinary Shares
B M Powers	14,582	–	–
J S Pinshaw	20,656	–	–
M Burrows	6,730	–	–
Sir Roderick Carnegie	11,169	–	–
D M Gonski	16,730	–	–
F G Hilmer	64,868	–	3,500,000
J M King	16,069	–	–
D R Wills	31,169	–	–

Options

Details of options on issue at 30 June 2001 and movements in options during the financial year are included in note 17 of the Full Financial Report.

At the date of this report, total unissued ordinary shares under options granted by the Company were 11,498,000. There are no unissued shares under option as at the date of this report other than those referred to above. These options do not entitle the holder to participate in any share issue of any other body corporate. From 1 July 2001 to the date of this report, no options over ordinary shares were granted, 25,000 shares were issued by virtue of the exercise of options (10,000 options were exercised at $2.77 and 15,000 at $2.76) and no options were forfeited.

Indemnification and Insurance of Officers and Auditors

The directors of the Company and such other officers as the directors determine, are entitled to receive the benefit of an indemnity contained in the Constitution to the extent allowed by the Corporations Act 2001 against liabilities incurred by them in their respective capacities in successfully defending proceedings against them.

During or since the financial year, the Company has paid premiums under contracts insuring the directors and officers of the Company and its controlled entities against liability incurred in that capacity to the extent allowed by the Corporations Act 2001. The terms of the policies prohibit disclosure of the details of the liability and the premium paid.

There are no indemnities given or insurance premiums paid during or since the financial year for the Auditors.

Directors' Meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors during the financial year were:

	DIRECTORS' MEETINGS		FINANCE & AUDIT COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS	
Director	No. Held*	No. Attended	No. Held*	No. Attended	No. Held*	No. Attended	No. Held*	No. Attended
B M Powers	6	6	4	4	0	0	—	—
J S Pinshaw	6	6	4	4	0	0	—	—
M Burrows	6	6	4	4	—	—	—	—
Sir Roderick Carnegie	6	6	—	—	—	—	1	1
D M Gonski	6	6	4	4	—	—	—	—
F G Hilmer**	6	6	4	4	—	—	1	1
J M King	6	6	—	—	0	0	1	1
D A Shein	6	5	—	—	—	—	—	—
D R Wills	6	6	—	—	0	0	1	1

** Reflects the number of meetings held during the time the director held office during the year.*

*** F G Hilmer attended Finance & Audit and Remuneration Committee Meetings as an invitee of the Committees.*

DIRECTORS' REPORT

Directors' and Other Officers' Emoluments

Procedures for establishing and reviewing remuneration arrangements are included on page 4.

Emoluments of directors for the financial year are as follows:

Director	Directors' Fees $	Finance and Audit Committee Fees $	Base Salary $	Bonus* $	Other (including Superannuation) $	Total Emoluments $
B M Powers	125,000	5,000			11,277	141,277
J S Pinshaw	90,000	5,000			7,600	102,600
M Burrows	55,000	5,000			4,800	64,800
Sir Roderick Carnegie	55,000				4,400	59,400
D M Gonski	55,000	5,000			5,224	65,224
F G Hilmer			1,028,893	100,000	77,303	1,206,196
J M King	55,000				9,963	64,963
D A Shein	55,000				4,768	59,768
D R Wills	55,000				4,771	59,771

Emoluments of the five most highly paid executive officers of the Company and the consolidated entity, for the financial year are as follows:

Executive	Base Salary $	Termination Benefit $	Bonus* $	Other (including Superannuation) $	Total Emoluments $
Consolidated					
S Harris, ex-publisher *The Age*	191,830	860,679	—	62,145	1,114,654
M Bayliss, Chief Financial Officer	403,561		37,500	98,564	539,625
G Hywood, Publisher *The Age*	360,205		27,500	146,483	534,188
N Dews, CEO f2	423,504		25,000	81,253	529,757
B Hooper, ex-Director Business Improvement	100,928	348,218	—	41,664	490,810

There were no options granted to theses executives during or since the end of the financial year.

* *These amounts relate to accrued bonuses payable in relation to performance for the financial year ended 30 June 2001. The Directors' Report for the financial year ended 30 June 2000 disclosed bonuses when paid rather than as accrued. For comparative purposes, the following bonuses were accrued in the accounts for the financial year ended 30 June 2000; $840,000 to F Hilmer, $200,000 to M Bayliss, $115,000 to S Harris, $125,000 to G Hywood, $75,000 to N Dews and $25,000 to B Hooper.*

Signed at Sydney on 20 September 2001 in accordance with a resolution of the directors.

Jonathan S. Pinshaw
Chairman Finance and Audit Committee

Frederick G. Hilmer
Chief Executive Officer and Director

CORPORATE GOVERNANCE

The Board of Directors of John Fairfax Holdings Limited (the "Board") is responsible for the corporate governance of the consolidated entity. It sets the strategic direction, approves performance targets, monitors management achievements, provides overall policy guidance and ensures that policies and procedures for internal control and risk management are in place to ensure shareholder funds are prudently managed and the Company meets its regulatory obligations. To this end, the Board has established Finance and Audit, Nomination and Remuneration Committees which are supported by external auditors and risk management specialists.

Composition of the Board

The name, qualifications and other details of each member of the Board are set out on page 6 of the Concise Report.

The Board presently comprises one executive director (the Chief Executive, Mr Frederick G Hilmer) and seven non-executive directors including the Chairman.

The Company's Constitution authorises the Board to appoint directors to vacancies on the Board and to elect the Chairman. It also provides that one-third of directors (rounded down to the nearest whole number) must retire at every annual general meeting. No director may remain in office for more than three years or the third annual general meeting following appointment without resigning and being re-elected.

The Constitution requires that the Board must have a minimum of three directors and that the Board has the power to set the maximum number of directors from time to time within the maximum of twelve set by the Constitution. Directors have resolved that the maximum number of directors be eight.

Within the rules set by the Constitution, if a vacancy exists on the Board or the Board considers that it would benefit from the services and skills of a new director, the Nomination Committee reviews the suitability of candidates whose names may be put forward by any director. The Committee may seek advice from external consultants. The Board then considers the Nomination Committee's recommendation and where appropriate makes the appointment. Any new director appointed by the Board must stand for election at the next general meeting of shareholders.

The terms and conditions of the appointment and retirement of non-executive directors are determined by the Board except to the extent that such things require shareholder approval.

The Nomination Committee uses the following principles to recommend candidates:

- A majority of directors and the chairman should be non-executive.
- The Board should represent a range of expertise consistent with the Company's strategic focus.

The Nomination Committee meets as required. Members during the year were Brian Powers (Chairperson), Julia King, Jonathan Pinshaw and Dean Wills.

Independent Professional Advice

Any director may seek independent professional advice at the Company's expense. Prior approval by the Chairman is required, but approval must not be unreasonably withheld.

Directors' Dealings in Company Shares

The Constitution permits (but does not require) directors to acquire shares in the Company. By resolution of the Board each non-executive director must sacrifice 25 per cent per annum of his or her director's fees to the Company's Employee Share Acquisition Scheme. Under this Scheme, shares are purchased on-market by an independent trustee company on behalf of directors and employees of the Group who have salary sacrificed to participate in the Scheme. The dates for share acquisition by the trustee are pre-set and not influenced by directors or employees. Company policy and the law prohibit directors from dealing in Company shares whilst in possession of price-sensitive information.

Procedures for Establishing and Reviewing Remuneration Arrangements

The Remuneration Committee of the Board meets annually and otherwise as required to review and make recommendations to the Board on remuneration packages and policies including those of the Chief Executive and directors. Remuneration levels are competitively set to attract qualified and experienced employees. The Committee may obtain independent advice on the appropriateness of remuneration packages. The Chief Executive is invited to Committee meetings as required to discuss management performance and remuneration.

The current remuneration for non-executive directors is set by resolution of shareholders at $700,000 per annum in aggregate. Within this limit, the Board determines directors' remuneration with advice from the Remuneration Committee. The Board also takes into account survey data on directors' fees paid by comparable companies and expert advice it may commission from time to time.

Executive remunerations include a bonus component which is payable according to performance of the individual executive, the financial performance of the Company and the financial performance of the business unit relevant to the executive.

Further details of directors' and senior executives' remuneration are set out in the notes to the Financial Report.

The members of the Remuneration Committee during the year were Julia King (Chairperson), Sir Roderick Carnegie and Dean Wills.

CORPORATE GOVERNANCE

Finance and Audit Committee

The Committee advises on the establishment and maintenance of a framework of risk management, internal control and ethical standards for the management of the consolidated entity. The Committee also monitors the quality and reliability of financial information prepared for the Board's use in determining policies or for inclusion in financial statements.

The primary functions of the Committee are to:

- ensure systems of control effectively safeguard the value of assets;
- ensure accounting records are maintained in accordance with statutory and accounting requirements;
- ensure financial statements and other information provided to shareholders is timely, reliable and accurate;
- review the performance and effectiveness of external auditors;
- formulate and oversee the key finance and treasury functions of the consolidated entity;
- formulate and oversee an effective business risk plan;
- ensure that appropriate policies and procedures are in place with the goal to ensure compliance with all regulatory requirements;
- monitor the entity's compliance with regulatory and ethical requirements.

Under the direction of the Committee there is a process to comply with all legal and Australian Stock Exchange obligations. Compliance with the policy is monitored continuously.

The members of the Committee during the year were Jonathan Pinshaw (Chairperson), Mark Burrows, David Gonski and Brian Powers. The Chief Executive regularly attends Committee Meetings as in invitee.

Internal Control Framework

The Board is responsible for the Company's overall internal control framework. To assist in discharging this responsibility, the Board has approved an internal control framework summarised as follows:

- Financial reporting – there is a comprehensive budget process with the annual budget approved by the directors. Weekly and monthly results are reported against budget. The consolidated entity reports to shareholders half-yearly. Procedures are also in place to ensure that price sensitive information is reported to the ASX in accordance with continuous disclosure requirements.
- Operating unit controls – financial controls and procedures including information systems controls are set out in procedures manuals. Management reports on material business issues to the Board at regular Board meetings.
- Investment appraisal – the consolidated entity has defined guidelines for capital expenditure and contract negotiations. These include annual budgets, appraisal and review procedures, levels of authority and due diligence requirements where assets are being acquired or divested.
- Treasury policy – the policy sets out procedures for the management of foreign currency and interest rate exposure, liquidity and credit risks. This policy restricts transactions to those for hedging purposes only and segregates implementation of transactions from account monitoring and settlement.

Under the direction of the Finance and Audit Committee, management has established a Business Risk Group. Assisted by external experts, that Group undertakes regular reviews of business risk across the consolidated entity and is responsible for development and review of the Group's Business Risk Plan.

Ethical Standards

All directors, managers and employees are expected to act with integrity and ethical standards. The Company has documented policies on equal opportunity and standards of workplace behaviour which are communicated to employees at the time of employment and reinforced by employee training programmes.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

		CONSOLIDATED		COMPANY	
	Note	2001 $000	2000 $000	2001 $000	2000 $000
Revenue from ordinary activities, excluding interest income	2	**1,320,545**	1,346,788	**130,504**	109,211
Share of net profits/(losses) of associates	2	**5,277**	59,382	**–**	–
Expenses from ordinary activities, excluding depreciation and borrowing costs	3	**(1,025,997)**	(1,015,883)	**(58,836)**	(88,448)
Profit from ordinary activities before depreciation, interest income, borrowing costs and income tax		**299,825**	390,287	**71,668**	20,763
Depreciation and amortisation	3	**(65,172)**	(64,681)	**(1,736)**	(1,371)
Profit from ordinary activities before interest income, borrowing costs and income tax		**234,653**	325,606	**69,932**	19,392
Interest income	2	**1,882**	2,419	**127,271**	127,203
Borrowing costs	3	**(45,733)**	(50,002)	**(108,635)**	(78,803)
Profit from ordinary activities before income tax		**190,802**	278,023	**88,568**	67,792
Income tax (expense)/revenue relating to ordinary activities	4	**(62,733)**	(92,552)	**(5,519)**	3,752
Net profit		**128,069**	185,471	**83,049**	71,544
Net profit attributable to outside equity interest		**–**	280	**–**	–
Net profit attributable to members of the Company*	19	**128,069**	185,751	**83,049**	71,544
Net increase/(decrease) in asset revaluation reserve	18	**(125)**	(1,352)	**–**	–
Net exchange difference on translation of financial report of foreign controlled entities	18	**(214)**	134	**–**	–
Total revenues, expenses and valuation adjustments attributable to members of the Company and recognised directly into equity		**(339)**	(1,218)	**–**	–
Total changes in equity other than those resulting from transactions with owners		**127,730**	184,533	**83,049**	71,544
***Net profit attributable to members of the Company comprises:**					
Ongoing operations		**126,199**	168,708	**83,049**	85,433
Significant items referred to in Note 3(d), net		**1,870**	17,043	**–**	(13,889)
		128,069	185,751	**83,049**	71,544
Basic earnings per share (cents)	21	**17.5**	25.5		

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

		CONSOLIDATED		COMPANY	
	Note	2001 $000	2000 $000	2001 $000	2000 $000
Current assets					
Cash		**8,542**	10,557	**–**	8,640
Receivables	6	**226,737**	208,962	**3,513**	3,028
Inventories	7	**24,973**	19,291	**–**	–
Total current assets		**260,252**	238,810	**3,513**	11,668
Non-current assets					
Receivables	6	**5,314**	13,944	**620,425**	611,217
Investments accounted for using the equity method	8	**4,184**	35,349	**–**	–
Other financial assets	9	**14,491**	9,412	**83,356**	83,356
Property, plant and equipment	10	**651,777**	519,559	**23,889**	18,183
Intangibles	11	**1,278,431**	1,276,865	**201**	196
Tax assets	12	**57,719**	58,804	**3,770**	7,104
Total non-current assets		**2,011,916**	1,913,933	**731,641**	720,056
Total assets		**2,272,168**	2,152,743	**735,154**	731,724
Current liabilities					
Payables	13	**158,657**	205,363	**8,770**	14,018
Interest bearing liabilities	14	**308,000**	5,000	**–**	–
Tax liabilities	15	**5,198**	60,169	**1,962**	514
Provisions	16	**93,544**	86,987	**54,029**	53,547
Total current liabilities		**565,399**	357,519	**64,761**	68,079
Non-current liabilities					
Interest bearing liabilities	14	**466,334**	617,507	**–**	–
Tax liabilities	15	**59,142**	47,489	**–**	–
Provisions	16	**40,309**	41,675	**2,945**	3,947
Total non-current liabilities		**565,785**	706,671	**2,945**	3,947
Total liabilities		**1,131,184**	1,064,190	**67,706**	72,026
Net assets		**1,140,984**	1,088,553	**667,448**	659,698
Equity					
Contributed equity	17	**628,196**	619,163	**628,196**	619,163
Reserves	18	**4,915**	5,254	**–**	–
Retained profits	19	**507,873**	464,136	**39,252**	40,535
Total parent entity interest in equity		**1,140,984**	1,088,553	**667,448**	659,698
Total outside equity interest	20	**–**	–	**–**	–
Total equity		**1,140,984**	1,088,553	**667,448**	659,698

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

		CONSOLIDATED		COMPANY	
	Note	2001 $000	2000 $000	2001 $000	2000 $000
Cash flows from operating activities					
Receipts from customers		**1,410,676**	1,302,158	**–**	–
Payments to suppliers and employees		**(1,141,192)**	(959,942)	**(63,772)**	(82,121)
Redundancy and severance payments		**(1,280)**	(4,239)	**(1,280)**	(1,117)
Dividends and unit trust income received		**41,013**	109,148	**–**	–
Interest received		**1,882**	2,419	**14**	62
Borrowing costs paid		**(45,902)**	(45,358)	**(5)**	–
Income taxes paid		**(108,696)**	(86,696)	**(694)**	–
Net cash provided by/ (used in) operating activities	31(b)	**156,501**	317,490	**(65,737)**	(83,176)
Cash flows from investing activities					
Payment for property, plant & equipment		**(216,925)**	(97,046)	**(9,068)**	(9,565)
Proceeds from sale of property, plant & equipment		**7,679**	1,907	**–**	–
Payment for investments		**(5,477)**	(10,972)	**–**	–
Proceeds from sale of investments		**398**	1	**–**	–
Payment for controlled entities	31(d)	**(2,400)**	(15,532)	**–**	–
Proceeds from sale of controlled entities/businesses	31(c)	**24,000**	–	**–**	–
Payment for mastheads and tradenames		**(2,914)**	(5,788)	**(5)**	(196)
Loans and deposits issued		**(4,595)**	(1,777)	**–**	–
Advances from controlled entities		**–**	–	**140,193**	177,055
Net cash (used in)/provided by investing activities		**(200,234)**	(129,207)	**131,120**	167,294
Cash flows from financing activities					
Proceeds from issues of shares and debentures		**9,033**	4,389	**9,033**	4,389
Dividends paid		**(84,090)**	(80,165)	**(84,090)**	(80,165)
Proceeds from borrowings		**154,558**	159,235	**–**	–
Repayment of borrowings		**(2,731)**	(292,646)	**–**	–
Loan from associated entity		**(35,052)**	11,585	**–**	–
Net cash provided by/(used in) financing activities		**41,718**	(197,602)	**(75,057)**	(75,776)
Net (decrease)/increase in cash held		**(2,015)**	(9,319)	**(9,674)**	8,342
Cash at the beginning of the financial year		**10,557**	19,876	**8,640**	298
Cash at the end of the financial year	31(a)	**8,542**	10,557	**(1,034)**	8,640

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

1. Statement of Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with. The report has been prepared on the basis of historical costs and except where stated, do not take into account changing money values or current valuations of non-current assets.

The accounting policies have been applied consistently by each entity in the consolidated entity and are consistent with those of the previous year except for the accounting policy with respect to the revaluation of non-current assets and segment reporting.

The consolidated entity has early adopted the revised Accounting Standards AASB 1041 "Revaluation of Non-Current Assets" issued in July 2001 and the revised AASB 1010 "Recoverable Amount of Non-Current Assets". Under the transitional provisions of these standards, the directors have made the following elections:

- Interests in unit trusts, which were previously measured at directors' valuation, will be carried at their deemed cost, being the carrying value of these assets at the beginning of the period.
- Freehold land and buildings and leasehold buildings, which were previously measured at independent valuation, will be carried at their deemed cost, being the carrying value of these assets at the beginning of the period.

The consolidated entity has early adopted the revised Accounting Standard AASB 1005 "Segment Reporting".

Certain comparative figures, including remuneration disclosure, have been re-classified or restated to conform with changes in presentation for the current year.

(b) Principles of Consolidation

The financial report of the consolidated entity comprises the accounts of the Company, John Fairfax Holdings Limited, and its controlled entities.

Where control of an entity either began or ceased during a financial year, its results are included in consolidated operating profit only from the date control commenced or until the date control ceased.

All inter-entity balances and transactions, and unrealised profits arising from intra-consolidated entity transactions, have been eliminated in full.

(c) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value.

(d) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

Receivables are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down.

(e) Inventories

Inventories including work in progress are valued at the lower of cost and estimated net realisable value. The methods used to determine cost for the main items of inventory are:

- Raw materials (comprising mainly newsprint and paper on hand) are assessed at average cost and newsprint and paper in transit by specific identification cost.
- Work in progress and finished goods are valued at direct material and labour costs, together with a proportion of indirect labour costs and manufacturing overheads where appropriate.
- In the case of other inventories, cost is assigned by the weighted average cost method.

A provision for diminution in value of inventories exists to cover a decline in value which might arise from the effects of storage hazards.

(f) Investments

Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. Other investments are carried at the lower of cost or recoverable amount. The carrying amount is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed based upon the present value of expected future cash flows or the estimated fair value of underlying net assets of the particular entities. Dividends are recognised when the right to receive payment is established.

(g) Property, Plant and Equipment

Cost

Items of property, plant and equipment are recorded at cost and depreciated as outlined below. Costs arising from the acquisition or construction of fixed assets, including internal labour and interest, are capitalised as part of the cost.

Recoverable amount

All items of property, plant and equipment are reviewed annually to ensure carrying values are not in excess of recoverable amounts. Recoverable amounts are based upon the present value of expected future cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

(g) Property, Plant and Equipment (continued)

Leasing

Leases of fixed assets where substantially all the risks and benefits incidental to ownership of the asset are transferred to the consolidated entity are classified as finance leases.

Finance leases are capitalised and recorded as an asset and liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest for the period.

Operating leases, where the lessor effectively retains all the risk and benefits of ownership of the leased asset, are not capitalised. Rental payments are charged as an expense in the periods to which they relate.

Depreciation and Amortisation

Depreciation is determined using the straight-line method of calculation. It is calculated on the cost recorded for buildings, plant and equipment so as to write off the asset over its estimated useful life. In the case of land, no provision for depreciation has been made.

Estimated useful lives of property, plant and equipment on which depreciation charges are based are as follows:

- Buildings – up to 40 years.
- Presses – up to 20 years.
- Other production equipment – up to 15 years.
- Other equipment – up to 40 years.

Leased assets are amortised over the life of the relevant lease, or where it is likely that the company will obtain ownership of the asset, over the useful life of the asset.

(h) Intangibles

Mastheads and Tradenames

Mastheads and tradenames are carried at cost and are not amortised. In accordance with AASB 1021, no amortisation is provided against the carrying value of these assets because the directors believe that the life of these assets is of such duration and the residual value would be such that the amortisation charge is not material.

Goodwill

Goodwill is amortised by the straight-line method over the period during which benefits are expected to be received. This is taken to be 20 years.

The carrying amount of intangibles is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed based upon the present value of expected future cash flows.

(i) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(j) Employee Entitlements

Provision has been made for salaries and wages, holiday pay, long service leave and other entitlements payable to employees under statutory and contractual requirements. The provision has been allocated into current and non-current proportions. The current proportion relates to the amount of the provision which is expected to be payable in the ensuing twelve months and is measured in nominal value. The non-current proportion relates to entitlements which are expected to be payable after twelve months from balance date and are measured at the present value of the expected future cash outflows. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

The value of the employee share plans described in Note 17 is not being charged as an employee entitlement expense.

(k) Provisions

Dividends payable are recognised when a legal obligation to pay the dividend arises, typically following approval of the dividend at a meeting of directors.

(l) Loans and Borrowings

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Bills of exchange and promissory notes are carried at the principal amount plus deferred interest.

Finance lease liability is determined in accordance with the requirements of AASB 1008: Leases.

(m) Debentures

Debentures have been included as equity as the rights attaching to them are in all material respects comparable to those attaching to the ordinary shares. Such debentures are unsecured non-voting securities that have interest entitlements equivalent to the dividend entitlements attaching to the ordinary voting shares and rank equally with such shares on any liquidation or winding up. These interest entitlements are treated as dividends.

The debentures are convertible into shares on a one-for-one basis at the option of the holder provided that conversion will not result in a breach of any of the following:

(i) any provision of the Foreign Acquisitions and Takeovers Act 1975;

(ii) any undertaking given by the Company to the Foreign Investment Review Board or at the request of the Foreign Investment Review Board from time to time; or

(iii) any other applicable law including, without limitation, the Broadcasting Act 1942.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

(n) Share Capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

(o) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the amount of the revenue can be reliably measured. Advertising and circulation revenue from sale of newspapers, magazines and other publications is recognised on publication. Revenue for the rendering of services is recognised when control of a right to be compensated for the services has been attained and the stage of completion of the service contract can be reliably measured. Stage of completion is measured by reference to the services performed to date as a percentage of total estimated services to be performed for each contract. If a contract outcome cannot be reliably measured revenue is recognised only to the extent that costs have been incurred.

(p) Income Tax

Income tax has been accounted for using the liability method of tax effect accounting whereby income tax expense is based upon the accounting profit adjusted for permanent differences.

Future income tax benefits attributable to income tax losses, capital losses and timing differences are brought to account when realisation of the benefit is considered to be virtually certain and will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) the consolidated entity has complied and continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the loss.

The income tax expense for the year is calculated using the 34% tax rate, however the deferred tax balances have been adjusted for the decreased corporate tax rate of 30% for the tax year 2001-02 and thereafter. The adjustment recognises that reversal of timing differences will occur within the 2001-02 or later income tax year, at which time tax will be attributed at a lower rate. The corresponding adjustment has been charged to income tax expense.

(q) Foreign Currency

Foreign currency transactions are initially converted to Australian currency at the rate of exchange ruling on the date of the transaction or, where appropriate, at rates specified under forward exchange contracts. Amounts payable and receivable at balance date are translated at rates applicable at that date.

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

Where a purchase or sale is specifically hedged, exchange gains or losses on the hedging transaction arising up to the date of purchase or sale and costs, premiums and discounts relative to the hedging transaction are included with the purchase or sale. Exchange gains and losses arising on the hedge transaction after that date are taken to the Statement of Financial Performance.

The accounts of overseas subsidiaries are translated using the current rate method and any exchange differences are taken directly to the foreign currency translation reserve.

(r) Derivatives

The consolidated entity uses derivative financial instruments to hedge interest rate and foreign exchange risks. Derivative financial instruments designated as hedges are accounted for on the same basis as the underlying exposure. Derivative financial instruments are not held for speculative purposes.

Interest Rate Swaps and Forward Rate Agreements

Interest payments and receipts under interest rate swap contracts and realised gains and losses on forward rate agreements are recognised on an accruals basis in the Statement of Financial Performance as an adjustment to interest expense during the period.

Interest Rate Options

Interest rate options are used to hedge interest rate exposures. The premiums paid or received on interest rate options and any realised gains or losses on exercise are amortised to interest expense over the terms of the agreements.

Forward Foreign Exchange Contracts

The accounting for forward foreign exchange contracts is set out in Note 1(q).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	COMPANY 2001 $000	COMPANY 2000 $000
2. Revenue from Ordinary Activities					
Revenue from operating activities					
Revenue generated from sale of:					
Newspapers		**1,077,240**	1,135,986	**–**	–
Magazines		**139,306**	129,887	**–**	–
Other		**65,614**	66,301	**20**	10,585
Total revenue from operating activities		**1,282,160**	1,332,174	**20**	10,585
Revenue from rendering of services		**5,738**	11,806	**60,854**	17,626
Dividend income:					
Wholly owned controlled entities		**–**	–	**69,630**	81,000
Other corporations		**150**	500	**–**	–
Distributions from unit trusts		**420**	400	**–**	–
Underlying trading revenue		**1,288,468**	1,344,880	**130,504**	109,211
Revenue from non-operating activities					
Proceeds from sale of property, plant and equipment		**7,679**	1,907	**–**	–
Proceeds from sale of investments		**398**	1	**–**	–
Proceeds from sale of controlled entities/businesses		**24,000**	–	**–**	–
		1,320,545	1,346,788	**–**	–
Interest income:					
Wholly owned controlled entities		**–**	–	**127,257**	127,141
Other persons/corporations		**1,882**	2,419	**14**	62
Share of associate's net profit	8	**5,277**	59,382	**–**	–
Total revenue from ordinary activities		**1,327,704**	1,408,589	**257,775**	236,414
3. Expenses from Ordinary Activities					
(a) Expenses by nature					
Staff costs		**422,825**	396,034	**26,510**	31,033
Newsprint and paper		**203,039**	204,460	**–**	–
Distribution and other production costs		**141,005**	133,752	**–**	–
Promotion and advertising costs		**59,885**	68,166	**796**	7,393
Write down of non-current assets		**3,249**	24,874	**–**	–
Cost of disposals		**13,413**	1,986	**–**	–
Restructure and redundancy costs		**24,184**	4,994	**–**	2,046
Other expenses from ordinary activities		**158,397**	181,617	**31,530**	47,976
Total expenses before borrowing costs, depreciation and amortisation		**1,025,997**	1,015,883	**58,836**	88,448
Less significant cost items		**37,222**	51,004	**–**	21,701
Underlying expenses from ordinary activities		**988,775**	964,879	**58,836**	66,747
(b) Detailed expense disclosures					
Interest expense:					
Wholly owned controlled entities		**–**	–	**108,630**	78,803
Other persons/corporations		**38,745**	43,289	**5**	–
Finance charges on capitalised leases		**6,988**	6,713	**–**	–
Total borrowing costs		**45,733**	50,002	**108,635**	78,803
Depreciation of freehold property		**1,842**	1,872	**–**	–
Depreciation of plant and equipment		**60,727**	60,453	**1,736**	1,371
Amortisation of leasehold property		**1,262**	1,240	**–**	–
Amortisation of goodwill		**1,341**	1,116	**–**	–
Total depreciation and amortisation		**65,172**	64,681	**1,736**	1,371
Cost of sales		**461,857**	444,149	**–**	–
Amounts provided for:					
Employee entitlements		**16,328**	10,568	**976**	1,247
Doubtful trade debts		**2,893**	3,985	**–**	–
Diminution in value of inventories		**–**	(3)	**–**	–
Other		**(121)**	(831)	**–**	–
Total amounts set aside to provisions		**19,100**	13,719	**976**	1,247

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001
JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
3. Expenses from Ordinary Activities (cont)				
Operating lease rental expense	**12,052**	10,022	**7,037**	–
Write down of goodwill	**–**	20,771	**–**	–
(c) (Losses)/Gains				
Net foreign exchange (loss)/profit	**52**	106	**79**	125
Net (loss)/profit on disposal of property, plant & equipment	**(26)**	(78)	**–**	–
Net (loss)/profit on disposal of investments	**18,690**	–	**7**	–
(d) Significant items				
Profit from ordinary activities before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the Company:				
Proceeds from sale of SOLD.com.au Pty Ltd	**24,000**	–	**–**	–
Cost base of investment	**(5,658)**	–	**–**	–
Gain on disposal of SOLD.com.au Pty Ltd	**18,342**	–	**–**	–
Income tax expense applicable	**–**	–	**–**	–
Restructure and redundancy costs	**(24,184)**	(4,994)	**–**	(2,046)
Income tax benefit applicable	**7,323**	1,798	**–**	736
f2 development costs	**(4,131)**	–	**–**	–
Income tax benefit applicable	**1,405**	–	**–**	–
Write down of non-current assets	**(3,249)**	(24,874)	**–**	–
Income tax benefit applicable	**1,087**	–	**–**	–
f2 float investigation and launch costs	**–**	(3,541)	**–**	(2,060)
Income tax benefit applicable	**–**	533	**–**	742
GST and system costs	**–**	(17,595)	**–**	(17,595)
Income tax benefit applicable	**–**	6,334	**–**	6,334
Share of associates net profit	**5,277**	59,382	**–**	–
Income tax benefit applicable	**–**	–	**–**	–
Net significant items after tax	**1,870**	17,043	**–**	(13,889)
Significant items before income tax	**(7,945)**	8,378	**–**	(21,701)
Income tax benefit	**9,815**	8,665	**–**	7,812
	1,870	17,043	**–**	(13,889)
4. Income Tax				
The prima facie tax on profit from ordinary activities is reconciled to the income tax provided in the accounts as follows:				
Prima facie tax on profit from ordinary activities	**64,873**	100,088	**30,113**	24,405
Tax effect of permanent differences:				
Share of net profit of associates	**(1,794)**	(21,377)	**–**	–
Current year tax losses not recognised	**–**	1,831	**–**	–
Capital profits not taxable	**(6,236)**	–	**–**	–
Non deductible depreciation and amortisation	**675**	722	**–**	–
Rebateable dividends	**(51)**	(180)	**(23,674)**	(29,160)
Write down of non current assets	**–**	8,954	**–**	–
Net loss/(gain) attributable to change in income tax rate	**4,009**	(3,734)	**–**	–
Under/(over) provision of prior years	**779**	4,499	**–**	–
Other	**478**	1,749	**(920)**	1,003
Income tax expense/(revenue) relating to ordinary activities	**62,733**	92,552	**5,519**	(3,752)
Income tax expense/(revenue) comprises:				
Provision attributable to current year	**63,003**	108,995	**1,910**	–
(Increase)/decrease in future income tax benefits:				
Timing differences	**(8,855)**	(6,033)	**3,609**	(3,752)
Tax losses (recognised)/utilised	**3,338**	(6,463)	**–**	–
Increase/(decrease) in deferred income tax liability	**5,247**	(3,947)	**–**	–
	62,733	92,552	**5,519**	(3,752)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
5. Dividends Paid and Proposed				
Fully franked interim dividend of 4.5 cents per share/debenture paid 16 March 2001 (2000: 4.5 cents fully franked, paid 10 March 2000)	**32,930**	32,845	**32,930**	32,845
Fully franked final dividend of 7.0 cents per share/debenture (2000: 7.0 cents fully franked paid 17 October 2000)	**51,442**	51,200	**51,442**	51,200
Under/(over) provision of prior year final dividend	**(40)**	–	**(40)**	–
Total dividends provided for or paid	**84,332**	84,045	**84,332**	84,045

The tax rate at which dividends have or will be franked is 34% (2000: 36%). Franking credits available at 30 June 2001 total $385.1 million (2000: $198.4 million). From these amounts $51.4 million will be used to pay a fully franked dividend declared as at 30 June 2001 to be paid on 17 October 2001. Due to changes in tax legislation, dividends paid from 1 July 2001 to 30 June 2002 attract a maximum franking credit of 30%. Approximately $15 million franking credits will arise from the payment of income tax payable as at the end of the financial year. It is anticipated that dividends payable in the following year will be fully franked.

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
6. Receivables				
Current				
Trade debtors	**212,903**	206,625	**–**	–
Provision for doubtful debts	**(14,282)**	(14,234)	**–**	–
	198,621	192,391	**–**	–
Loans and deposits	**6,796**	2,270	**1,854**	2,124
Other debtors and prepayments	**21,320**	14,301	**1,659**	904
Total current receivables	**226,737**	208,962	**3,513**	3,028
Movement in provision for doubtful debts				
Balance at the beginning of the financial year	**14,234**	12,289	**–**	–
Bad and doubtful debts provided for during the year	**2,893**	3,985	**–**	–
Bad debts previously provided for written-off during the year	**(2,833)**	(2,062)	**–**	–
Controlled entities/businesses sold during year	**(12)**	–	**–**	–
Controlled entities acquired during year	**–**	22	**–**	–
Balance at the end of the financial year	**14,282**	14,234	**–**	–
Non-current				
Amounts receivable from wholly owned controlled entities	**–**	–	**620,425**	611,217
Loans and deposits	**2,536**	10,652	**–**	–
Prepayments	**2,778**	3,292	**–**	–
Total non-current receivables	**5,314**	13,944	**620,425**	611,217
7. Inventories				
Current				
Raw materials and stores, at cost	**25,313**	19,607	**–**	–
Provision for diminution in value	**(340)**	(340)	**–**	–
	24,973	19,267	**–**	–
Finished goods, at cost	**–**	24	**–**	–
Total inventories	**24,973**	19,291	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

8. Investments Accounted for using the Equity Method

The consolidated entity has a 44.7% ownership interest in AAP Information Services Pty Limited (AAPIS). The principal activities of AAPIS are operating the business of a news agency, disseminating news and information to the media and business communities, providing and maintaining communications networks and facilities, and developing communications technology.

	CONSOLIDATED	
	2001 $000	2000 $000
Shares in associated company (unlisted) at equity accounted amount	**4,184**	35,349
Share of associate's profit		
Share of associate's profit before income tax	**5,341**	102,364
Share of associate's income tax expense attributable to profit	**(64)**	(42,982)
Share of associate's net profit	**5,277**	59,382
Carrying amount of investment in associate		
Balance at the beginning of the year	**35,349**	89,738
Share of associate's net profit	**5,277**	59,382
Dividends received from associates	**(40,443)**	(108,248)
Transfer from reserves/Other	**4,001**	(5,523)
Balance at the end of the financial year	**4,184**	35,349
Consolidated entity's share in the retained profits of the associated entity	**21,535**	52,700

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
9. Other Financial Assets				
Shares in other (unlisted) at cost	**13,844**	8,765	**–**	–
Shares in controlled entities not listed on a prescribed stock exchange, at cost	**–**	–	**83,356**	83,356
Interests in unit trusts, at cost	**647**	647	**–**	–
Total investments	**14,491**	9,412	**83,356**	83,356
10. Property, Plant and Equipment				
Freehold land and buildings				
At cost	**103,944**	–	**–**	–
At independent valuation 2000	**–**	111,253	**–**	–
Provision for depreciation	**(20,219)**	(20,387)	**–**	–
	83,725	90,866	**–**	–
Leasehold buildings				
At cost	**50,171**	–	**–**	–
At independent valuation 2000	**–**	50,189	**–**	–
Provision for amortisation	**(6,430)**	(5,314)	**–**	–
	43,741	44,875	**–**	–
Plant and equipment				
At cost	**576,684**	567,510	**26,767**	19,612
Provision for depreciation	**(338,990)**	(284,192)	**(2,878)**	(1,429)
	237,694	283,318	**23,889**	18,183
Capital works in progress, at cost	**286,617**	100,500	**–**	–
Total property, plant and equipment	**651,777**	519,559	**23,889**	18,183

Assets pledged as security

Assets under lease (leasehold buildings) are pledged as security for the associated lease liabilities. Detail of this facility can be found in Note 14.

Valuation

The latest independent valuation was performed as at 30 June 2000 by Gary R Longden AAPI, Director of Investment Advisory Services at Jones Lang LaSalle and was performed on the basis of market value - existing use. The net increment relating to land and buildings was $4.2 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001
JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

10. Property, Plant and Equipment (cont)

Capitalised Borrowing Costs

Included in capital works in progress are borrowing costs capitalised of $11.7 million (2000: $1.7 million).

	CONSOLIDATED		COMPANY	
Reconciliations	2001 $000	2000 $000	2001 $000	2000 $000
Freehold land and buildings				
Carrying amount at the beginning	**90,866**		**–**	
Additions	**72**		**–**	
Disposals	**(1,090)**		**–**	
Depreciation	**(1,842)**		**–**	
Other	**(4,281)**		**–**	
	83,725		**–**	
Leasehold buildings				
Carrying amount at the beginning	**44,875**		**–**	
Additions	**45**		**–**	
Disposals	**–**		**–**	
Depreciation	**(1,262)**		**–**	
Other	**83**		**–**	
	43,741		**–**	
Plant and equipment				
Carrying amount at the beginning	**283,318**		**18,183**	
Additions	**26,615**		**9,068**	
Disposals	**(6,615)**		**–**	
Depreciation	**(60,727)**		**(1,736)**	
Other	**(4,897)**		**(1,626)**	
	237,694		**23,889**	
Capital works in progress, at cost				
Carrying amount at the beginning	**100,500**		**–**	
Additions	**190,193**		**–**	
Disposals	**–**		**–**	
Other	**(4,076)**		**–**	
	286,617		**–**	

11. Intangibles

Mastheads and tradenames, at cost	**1,254,065**	1,251,158	**201**	196
Goodwill, at cost	**26,823**	26,823	**–**	–
Accumulated amortisation of goodwill	**(2,457)**	(1,116)	**–**	–
Total intangibles	**1,278,431**	1,276,865	**201**	196

12. Tax Assets

Future income tax benefits arising from:				
Tax losses	**3,125**	6,463	**–**	–
Timing differences	**54,594**	52,341	**3,770**	7,104
Total future income tax benefits	**57,719**	58,804	**3,770**	7,104

13. Payables

Current				
Trade and other creditors	**151,535**	198,072	**7,736**	14,018
Bank overdraft	**–**	–	**1,034**	–
Accrued interest on bank borrowings	**7,122**	7,291	**–**	–
Total current accounts payable	**158,657**	205,363	**8,770**	14,018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

14. Interest-bearing Liabilities

	Note	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	COMPANY 2001 $000	COMPANY 2000 $000
Current					
Bank borrowings (unsecured)		**18,000**	–	**–**	–
Other borrowings (unsecured)		**290,000**	5,000	**–**	–
Total current borrowings		**308,000**	5,000	**–**	–
Non-current					
Other borrowings (unsecured)		**412,379**	564,204	**–**	–
Lease liability (secured)		**53,955**	53,303	**–**	–
Total non-current borrowings		**466,334**	617,507	**–**	–

The consolidated entity has access to a $100 million committed working capital facility. This facility can be drawn or utilised in various forms including loan and bill acceptance until June 2003 and is currently not utilised. The interest rate for drawings under this facility is the applicable bank bill rate plus a credit margin.

A $500 million combined Commercial Paper and Medium Term Note program was established in November 1998. This program was increased in March 2000 to $750 million. MTNs to the value of $150 million due April 2002 and $150 million due July 2005 have been issued under the facility. The remaining $450 million is available for the issue of Promissory Notes. Standby lines to the value of $300 million maturing July 2002 and June 2003 are available to support Promissory Note issues. Promissory Notes on issue at June 2001 of $140 million are for terms ranging from one month to six months at an average interest rate of 5.7%.

Senior Notes with a principal of US$120 million and maturing 19 December 2006 were issued in December 1996. The Senior Notes were issued at par with a fixed interest coupon of 7.43% per annum payable semi-annually in arrears. Interest and principal on the Senior Notes is payable in US dollars and was swapped into Australian Dollars with a cross-currency swap.

The Chullora printing facility in Sydney is partially financed by a finance lease facility and loans with final maturity dates of September 2015. A loan with principal outstanding of $60.8 million and a finance lease of $54.0 million drawn in February 1996, is in the form of a CPI indexed annuity. The remaining principal outstanding of $50.8 million is in the form of a fixed rate facility with an established drawdown and repayment schedule.

	Note	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	COMPANY 2001 $000	COMPANY 2000 $000
15. Tax Liabilities					
Current					
Current tax payable		**5,198**	60,169	**1,962**	514
Non-current					
Deferred income tax liability		**59,142**	47,489	**–**	–
16. Provisions					
Current					
Employee entitlements	26	**36,311**	30,072	**2,587**	2,347
Dividends		**51,442**	51,200	**51,442**	51,200
Other		**5,791**	5,715	**–**	–
Total current provisions		**93,544**	86,987	**54,029**	53,547
Non-current					
Employee entitlements	26	**36,801**	40,298	**2,101**	1,823
Other		**3,508**	1,377	**844**	2,124
Total non-current provisions		**40,309**	41,675	**2,945**	3,947
17. Contributed Equity					
Shares					
734,879,595 (2000: 730,559,595) ordinary shares fully paid		**628,196**	619,163	**628,196**	619,163
Debentures					
281 (2000: 281) debentures fully paid		*	*	*	*
Total issued capital		**628,196**	619,163	**628,196**	619,163

* Amount is less than $1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001
JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

17. Contributed Equity (cont)

The amount of former share premium reserve included in share capital is $453,622,000.

Movements in issued capital during the financial year

	CONSOLIDATED			
	2001 Number	2000 Number	2001 $000	2000 $000
Shares				
Beginning of the financial year	**730,559,595**	727,628,595	**619,163**	614,424
Shares issued (i)	**1,000,000**	1,000,000	**–**	–
Converted from debentures (ii)	**–**	350,000	**–**	350
Converted from options (iii)	**3,320,000**	1,581,000	**9,033**	4,389
End of the financial year	**734,879,595**	730,559,595	**628,196**	619,163
Debentures				
Beginning of the financial year	**281**	350,281	*****	350
Converted to shares	**–**	(350,000)	**–**	(350)
End of the financial year	**281**	281	*****	*

* Amount is less than $1,000.

(i) Shares issued to the trustee of the Company's Incentive Share Plan on 27 June 2001 (2000: 28 June 2000).

(ii) 350,000 debentures were converted to ordinary shares on 1 November 1999 by Godine Capital Pty Ltd.

(iii) During the year, options were exercised and converted to shares. These are detailed as follows:

2001 **Date**	2001 **Number**	2001 **Issue Price**	2000 **Date**	2000 **Number**	2000 **Issue Price**
Jul 2000	193,000	$2.67	Jul 1999	68,000	$2.67
Jul 2000	20,000	$2.77	Aug 1999	165,000	$2.67
Aug 2000	40,000	$2.64	Sep 1999	36,000	$2.69
Aug 2000	24,000	$2.67	Sep 1999	16,000	$2.67
Aug 2000	12,000	$2.77	Oct 1999	75,000	$2.69
Oct 2000	4,000	$2.67	Oct 1999	4,000	$2.67
Oct 2000	10,000	$3.12	Oct 1999	20,000	$3.12
Nov 2000	6,500	$2.67	Nov 1999	32,000	$2.67
Dec 2000	50,000	$2.69	Nov 1999	100,000	$2.88
Jan 2001	650,000	$2.72	Nov 1999	40,000	$3.15
Feb 2001	100,000	$2.88	Nov 1999	20,000	$2.60
Mar 2001	60,000	$2.93	Nov 1999	20,000	$3.37
Mar 2001	20,000	$2.82	Dec 1999	60,000	$2.67
Mar 2001	50,000	$2.84	Feb 2000	400,000	$2.72
Apr 2001	13,000	$2.67	Feb 2000	100,000	$2.88
May 2001	4,000	$2.67	Feb 2000	40,000	$3.15
May 2001	180,000	$3.12	Feb 2000	83,000	$2.67
Jun 2001	1,883,500	$2.67	Feb 2000	60,000	$2.93
			Mar 2000	20,000	$2.64
			Mar 2000	82,000	$2.67
			Mar 2000	70,000	$2.84
			Mar 2000	50,000	$2.93
			Apr 2000	10,000	$2.93
			Apr 2000	10,000	$2.78
	3,320,000			1,581,000	

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

Debenture holders' terms and conditions are disclosed in Note 1.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

17. Contributed Equity (cont)

Employee Share Plans

The Company has three employee share plans operating as at the balance date. Information relating to each scheme is set out below:

1. **Fairfax Exempt Employee Share Plan**

   This plan is open to all permanent full-time and part-time employees with more than 12 months' service with the consolidated entity. Under this Plan participants to salary sacrifice up to $1,000 of pre-tax salary per annum for purchase of issued Fairfax shares at the market price on the open market of the Australian Stock Exchange. The shares are purchased by an independent trustee company on pre-fixed dates.

2. **Fairfax Deferred Employee Share Plan**

   This plan is open to all permanent full-time and part-time employees with more than 12 months' service with the consolidated entity. Under this Plan, participants may salary sacrifice a minimum of $3,000 and up to a maximum of 25% of salary per annum for purchase of issued Fairfax shares at the market price on the open market of the Australian Stock Exchange. The shares are purchased by an independent trustee company on pre-fixed dates.

3. **Long Term Incentive Share Plan**

   Permanant full-time and part-time employees of the consolidated entity who are not directors of the Company may be eligible to participate in this Plan. The Plan is administered by an independent trustee which holds in trust ordinary shares issued to it by the Company for nil consideration. The trustee may allocate shares to employees after considering recommendations from the Company. Allocation to employees is at nil consideration.

Options to acquire shares

During the year, the consolidated entity granted 560,000 options to acquire shares on a one-for-one basis to 5 employees. The exercise price of the options is equivalent to the Company's average market share price on the Australian Stock Exchange, at the date the options were issued. At balance date, the Company's closing share price was $4.05.

	Number
Balance on issue at 30 June 2000	14,303,000
Granted during the year	560,000
Forfeited during the year	(20,000)
Exercised and converted to shares	(3,320,000)
Balance on issue at 30 June 2001	**11,523,000**

Balance comprises:

Date of grant	Exercise price	Number
Employee Share Option Plan		
29 January 1997	$2.84	30,000
3 September 1997	$3.12	140,000
3 October 1997	$3.37	130,000
19 November 1997	$3.15	120,000
27 February 1998	$2.93	720,000
25 June 1998	$2.77	158,000
11 September 1998	$2.76	50,000
19 November 1998	$3.08	400,000
1 March 1999	$3.97	250,000
11 May 1999	$3.97	500,000
25 June 1999	$4.25	200,000
28 September 1999	$4.01	4,405,000
5 April 2000	$5.66	250,000
29 May 2000	$4.30	20,000
28 June 2000	$4.41	90,000
19 September 2000	$4.36	300,000
12 March 2001	$3.69	130,000
30 March 2001	$3.58	130,000
Other Options		
16 December 1998*	$2.85	3,500,000
		11,523,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

17. Contributed Equity (cont)

Employee Share Option Plan

Full-time and part-time employees of the consolidated entity are eligible to participate on invitation from the Company. On and after two years from the date of issue, 40% of options will become conditionally exercisable. On and after the passing of each subsequent year, a further 20% of the options will become conditionally exercisable. Options not exercised within five years of issue will lapse. On exercise, each option is convertible to one ordinary share. The maximum number of employee options under this Plan approved by shareholders at a general meeting which may be issued at any one time is 4 per cent of the number of ordinary shares of the Company on issue at that date. The number of options outstanding, which were issued under the Plan, is equivalent to 1.1% of the ordinary shares on issue at 30 June 2001. There are currently 186 employees who hold options issued under the Plan.

Other options

* These options were issued to F G Hilmer, a director and chief executive of the Company. The first tranche of 1,400,000 options was exercisable from 16 December 2000. The second tranche of 700,000 options is exercisable from 16 December 2001. The third tranche of 700,000 options is exercisable from 16 December 2002. The fourth tranche of 700,000 options is exercisable from 16 December 2003. These options are subject to a qualifying share price having been achieved not earlier than six months before the start of the exercise period or at any time after. Options not exercised by 16 December 2003 lapse. On exercise, each option is convertible to one ordinary share. The exercise price of $2.85 may be subject to adjustment for rights issues, bonus issues or for capital reconstructions as provided in the Share Option Deed.

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
18. Reserves				
Asset revaluation	**4,928**	5,053	**–**	–
Foreign currency translation	**(13)**	201	**–**	–
Total reserves	**4,915**	5,254	**–**	–
Movements in Reserves				
Asset Revaluation Reserve				
The asset revaluation reserve is used to record increments and decrements in the value of non-current assets where non-current assets are accounted for in accordance with fair value. The reserve can be used to pay dividends in limited circumstances.				
Balance at the beginning of the financial year	**5,053**	6,405	**–**	–
Increments on revaluation of land and buildings	**–**	4,171	**–**	–
Prior year adjustment to revaluation reserve	**(125)**	–	**–**	–
Reversal of previous revaluations of investment in associates	**–**	(5,523)	**–**	–
Balance at the end of the financial year	**4,928**	5,053	**–**	–
Foreign currency translation reserve				
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.				
Balance at the beginning of the financial year	**201**	67	**–**	–
Net (loss)/gain on translation of overseas controlled entities	**(214)**	134	**–**	–
Balance at the end of the financial year	**(13)**	201	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

	Note	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	COMPANY 2001 $000	COMPANY 2000 $000
19. Retained profits					
Balance at the beginning of year		**464,136**	362,430	**40,535**	53,036
Net profit attributable to members of the Company		**128,069**	185,751	**83,049**	71,544
Total available for appropriation		**592,205**	548,181	**123,584**	124,580
Dividends provided for or paid	5	**(84,332)**	(84,045)	**(84,332)**	(84,045)
Retained profits at the end of the financial year		**507,873**	464,136	**39,252**	40,535
20. Outside Equity Interests					
Balance at the beginning of the financial year		**–**	786		
Share acquisition of controlled entity		**–**	(506)		
Share of operating (loss)/profit		**–**	(280)		
Total outside equity interests		**–**	–		
21. Earnings Per Share					
Basic earnings per share (cents) based on Net Profit attributable to members of the Company:					
After significant items and associate profits		**17.51**	25.49		
Before significant items and associate profits		**17.26**	23.15		
Diluted earnings per share has not been disclosed as it is not materially different from basic earnings per share					
Weighted average number of ordinary shares and debentures used in the calculation of basic earnings per share (000s)		**731,293**	728,795		
22. Commitments					
Finance lease liabilities					
Payable:					
Not later than one year		**6,704**	6,732	**–**	–
Later than one year but not later than five years		**29,792**	26,910	**–**	–
Later than five years		**90,743**	41,647	**–**	–
Minimum lease payments		**127,239**	75,289	**–**	–
Less future finance charges		**73,284**	21,986	**–**	–
Total lease liability		**53,955**	53,303	**–**	–
Classified as:					
Non-current	14	**53,955**	53,303	**–**	–
Operating lease commitments					
Payable:					
Not later than one year		**12,251**	10,656	**–**	–
Later than one year but not later than five years		**38,546**	41,411	**–**	–
Later than five years		**14,287**	9,654	**–**	–
Total operating lease commitments		**65,084**	61,721	**–**	–
Operating leases have an average lease term ranging between 10 to 15 years and an average implicit interest rate of 10%. Assets which are the subject of operating leases include office premises and land and buildings.					
Capital expenditure commitments					
Payable:					
Not later than one year		**101,160**	157,892	**–**	–
Later than one year but not later than five years		**5,162**	104,589	**–**	–
Later than five years		**–**	–	**–**	–
Total capital expenditure commitments		**106,322**	262,481	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

23. Contingent Liabilities

Related bodies corporate

Under the terms of an ASIC class order, the Company and certain controlled entities, identified in Note 24, have guaranteed any deficiency of funds if any party to the class order is wound up (refer Note 24). No such deficiency exists.

Other persons

From time to time, entities in the consolidated entity are sued for defamation and similar matters in the ordinary course of business. The amount of contingency for such actions cannot be determined with any accuracy. However, on the basis of professional advice, the accounts incorporate adequate provision to cover material contingencies.

24. Controlled Entities

	Notes		Notes
John Fairfax Holdings Limited	(a),(c)		
Controlled entities			
Associated Newspapers Limited	(a)	Homes Pictorial Unit Trust	
Big Colour Pages Pty Limited		Illawarra Newspapers Holdings Pty Limited	(a)
Big Hand Asia Pacific Pty Limited		John Fairfax & Sons Limited	(a)
CitySearch Australia Pty Limited		John Fairfax (UK) Limited	(b)
CitySearch Canberra Pty Limited		John Fairfax (US) Limited	(b)
David Syme & Co Pty Limited	(a)	John Fairfax Group Finance Pty Limited	(a)
f2 Australia & New Zealand Pty Limited	(a)	John Fairfax Limited	(a)
f2 Limited	(a),(e)	John Fairfax Publications Pty Limited	(a),(e)
Fairfax Business Information Solutions Pty Limited	(a)	Morisset Courier Unit Trust	(f)
Fairfax Business Media (South Asia) Pte Ltd	(b),(g)	Morisset Newspapers Pty Limited	
Fairfax Community Newspapers Pty Limited	(a)	Newcastle Newspapers Pty Limited	(a)
Fairfax Corporation Pty Limited	(a)	Personal Investment Direct Access Pty Limited	
Fairfax EEC Limited (UK)	(b)	Rydge Publications Pty Limited	(a)
Fairfax Print Holdings Pty Limited	(a),(e)	SOLD.com.au Pty Limited	(d)
Fairfax Printers Pty Limited	(a),(e)	South Australian Real Estate Press Pty Limited	(a)
Fairfax Properties Pty Limited	(a)	The Age Company Limited	(a)
Fairfax Regional Printers Pty Limited	(a)	The Age Online Pty Limited	(a)
FCN Online Pty Limited	(a)	The Rockwood Pastoral Company Pty Limited	(a)
Gold Coast Community Press Pty Limited	(a)	The Warrambool Standard Pty Limited	(a)
Gold Coast Community Press Pty Limited	(a)	Wattle Street Properties Pty Limited	(a)
Homes Pictorial Publications Pty Limited	(a)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

24. Controlled Entities (cont)

Notes

(a) The Company and the controlled entities incorporated within Australia are party to a class order 98/1418 and have entered into a group cross indemnity agreement. Under the class order, exemption has been granted to these controlled entities from the requirements of the Corporations Act 2001 with regard to the preparation, audit and publication of accounts. The consolidated Statement of Financial Performance and Statement of Financial Position of the entities are as follows:

	2001 $000
Statement of Financial Position	
Current assets	
Cash	5,199
Receivables	205,221
Inventories	24,347
Total current assets	**234,767**
Non-current assets	
Receivables	5,252
Investments	18,675
Property, plant and equipment	639,737
Intangibles	1,233,396
Future income tax benefits	43,740
Total non-current assets	**1,940,800**
Total assets	**2,175,567**
Current liabilities	
Payables	5,264
Interest bearing liabilities	308,000
Provisions	95,422
Total current liabilities	**408,686**
Non-current liabilities	
Payables	–
Interest bearing liabilities	466,334
Provisions	98,866
Total non-current liabilities	**565,200**
Total liabilities	**973,886**
Net assets	**1,201,681**
Equity	
Contributed Equity	628,196
Reserves	4,338
Retained profits	569,147
Total shareholders' equity	**1,201,681**

	2001 $000
Statement of Financial Performance	
Profit from ordinary activities before income tax	220,914
Income tax expense attributable to operating profit	(67,702)
Profit from ordinary activities after income tax	153,212
Outside equity interests	–
Net profit attributable to members of the holding company	**153,212**

(b) All controlled entities are incorporated in Australia except:

	Country of Incorporation
John Fairfax (UK) Limited	UK
John Fairfax (US) Limited	USA
Fairfax EEC Limited (UK)	UK
Fairfax Business Media Pte Ltd	Singapore
Fairfax Business Media (South Asia) Pte Ltd	Singapore

(c) The consolidated entity holds a 100% equity interest in all controlled entities.

(d) Disposed of during the year.

(e) Denotes entities controlled directly by the Company.

(f) Entity was vested on 30/06/2001.

(g) Changed name during year from Strategic Publishing Group Pte Ltd.

25. Acquisition and Disposal of Controlled Entities

On 6 November 2000 the consolidated entity acquired the remaining 19% interest in SOLD.com.au Pty Limited.

On 23 February 2001 the consolidated entity disposed of its 100% ownership interest in SOLD.com.au Pty Limited which previously formed part of the interactive businesses of the consolidated entity.

For additional information refer Note 31(c).

		CONSOLIDATED		COMPANY	
	Note	2001 $000	2000 $000	2001 $000	2000 $000
26. Employee Entitlements					
Aggregate employee entitlements including on-costs:					
Provisions for employee entitlements (current)	16	**36,311**	30,072	2,587	2,347
Provisions for employee entitlements (non-current)	16	**36,801**	40,298	2,101	1,823
Accrued redundancy costs		**22,500**	–	–	–
		95,612	70,370	4,688	4,170

For information relating to employee share plans refer Note 17.

For information relating to superannuation plans refer Note 27.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

27. Superannuation Commitments

The consolidated entity participates in employer-sponsored superannuation plans which provide benefits for employees and their dependants on retirement, disability or death. The plans operate on an accumulation basis with the exception of the John Fairfax Retirement Fund, which provides benefits on both an accumulation and defined benefit basis.

The defined benefits are based on years of service and final salary and are being funded on the basis of actuarial assessments every two years such that the funds will be adequate to provide the benefits payable to members on their retirement. Employees contribute various percentages of their gross income and the consolidated entity also contributes at generally twice the employee's contributions.

Any contributions made to the John Fairfax Retirement Fund by entities within the consolidated entity are charged against profits when due.

At balance date, the assets of each of the plans are sufficient to satisfy all benefits that would have vested under the plans in the event of termination of the plans and voluntary or compulsory termination of employment of each employee. The consolidated entity maintains a provision for any deficiency that may arise in the plans.

An actuarial assessment of the John Fairfax Retirement Fund as at 1 July 2000 was carried out by Mr Peter May, BSc FIAA Actuary, AMP Consulting Pty Limited, on 16 March 2001. The estimated financial position of the fund as at 30 June 2001 was:

	CONSOLIDATED	
	2001 $000	2000 $000
Estimated accrued benefits of the plan	**194,300**	176,500
Net market value of the plans' assets	**193,036**	180,822
Surplus (deficiency)	**(1,264)**	4,322
Vested benefits (estimate)	**187,699**	169,700
Consolidated entity contributions	**19,429**	16,093

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
28. Auditors' Remuneration				
Amounts received or due and receivable by the auditors of John Fairfax Holdings Limited for:				
Audit services	**630**	600	**630**	308
Other services	**273**	1,920	**226**	1,732
	903	2,520	**856**	2,040
29. Remuneration of Directors and Executives				
Directors' remuneration				
Income paid or payable, or otherwise made available, to all directors of each entity in the consolidated entity by the entities of which they are directors or any related party	**7,146**	8,882		
Income paid or payable, or otherwise made available, to all directors of John Fairfax Holdings Limited by the Company or any related party			**1,824**	2,569
The number of directors of John Fairfax Holdings Limited whose income from the Company or any related party falls within the following bands*:				
			Number of Directors	Number of Directors
$0 – $9,999			**–**	–
$50,000 – $59,999			**1**	4
$60,000 – $69,999			**5**	2
$100,000 – $109,999			**1**	1
$140,000 – $149,999			**1**	1
$1,200,000 –$1,209,999			**1**	–
$1,960,000 –$1,969,999			**–**	1

* See Note 1(a) to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
29. Remuneration of Directors and Executives (cont)				
Executives' remuneration				
Remuneration received, or due and receivable by executive officers of the consolidated entity and the Company whose remuneration is $100,000 or more, from entities in the consolidated entity or related parties	**6,969**	8,562	**3,508**	4,995

The number of executives of the consolidated entity and the Company whose remuneration (including termination payments) falls within the following bands*:

	Number of Executives	Number of Executives	Number of Executives	Number of Executives
$120,000 – $129,999	–	1	–	–
$170,000 – $179,999	1	–	1	–
$180,000 – $189,999	1	–	–	–
$210,000 – $219,999	1	–	1	–
$230,000 – $239,999	–	2	–	–
$250,000 – $259,999	1	1	–	1
$280,000 – $289,999	–	2	–	1
$290,000 – $299,999	2	1	–	–
$300,000 – $309,999	1	–	1	–
$330,000 – $339,999	2	–	1	–
$340,000 – $349,999	1	–	1	–
$350,000 – $359,999	1	1	–	–
$360,000 – $369,999	–	1	–	1
$390,000 – $399,999	–	1	–	1
$400,000 – $409,999	1	–	1	–
$420,000 – $429,999	–	1	–	–
$430,000 – $439,999	1	–	–	–
$440,000 – $449,999	–	2	–	1
$520,000 – $529,999	1	–	1	–
$530,000 – $539,999	1	–	–	–
$570,000 – $579,999	–	1	–	1
$580,000 – $589,999	–	1	–	–
$590,000 – $599,999	–	1	–	–
$700,000 – $709,000	–	1	–	1
$760,000 – $769,999	1	–	–	–
$1,200,000 – $1,209,999	1	–	1	–
$1,960,000 – $1,969,999	–	1	–	1

* See Note 1(a) to the Financial Statements

For the purpose of this disclosure, an executive officer has been defined as the Chief Executive, the executive management team and other persons who are directly accountable and responsible to the Chief Executive for the strategic direction and operational management of the consolidated entity.

Employees: As at 30 June 2001 the consolidated enity employed 4,481 full-time employees (2000: 4,537) and 2,222 part-time and casual employees (2000: 2,492).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

30. Related Party Disclosures

Directors

The directors of John Fairfax Holdings Limited during the financial year were: BM Powers, JS Pinshaw, M Burrows, Sir Roderick Carnegie, DM Gonski, FG Hilmer, JM King, DA Shein, DR Wills.

Directors' share, option and debenture holdings

Movements in the aggregate holdings of directors of the Company during the year were as follows:

	Shares	Options
Balance at beginning of year	136,643	3,500,000
Acquisitions	49,387	–
Disposals due to resignations	–	–
Balance at end of year	186,030	3,500,000

Brian M Powers has 73,926,428 units in the FXF Investments Pty Limited which owned 109,054,197 shares in John Fairfax Holdings Limited up to 20 July 2001.

Director-related entities

Goods and services of $705,557 were provided to the consolidated entity by Com Tech Communications Pty Limited, a company of which DA Shein is a director. Consulting services of $39,654 were provided to the consolidated entity by Nighcue Pty Ltd, a company of which JS Pinshaw is a director. Reimbursements of $4,442 were paid to Pacific Edge Advisors Pty Ltd, a company of which Sir R Carnegie is a director.

Controlled entities

John Fairfax Holdings Limited has undertaken transactions with its controlled entities including the issue and receipt of loans (both at commercial interest rates and interest free) and management fees. On consolidation, all such transactions have been eliminated in full. During the financial year ended June 2000 $1,125,000 was advanced to directors of controlled entities, N. Dews and N. Leeder, as interest free loans. The balance outstanding as at 30 June 2001 is $1,125,000. These loans are repayable either out of future bonus entitlements or when the director ceases to be an employee of the controlled entity.

31. Notes to the Statements of Cash Flows

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
(a) Reconciliation of cash				
For the purpose of the Statements of cash flows, cash includes cash on hand and at bank.				
Cash	**8,542**	10,557	**–**	8,640
Bank overdraft	**–**	–	**(1,034)**	–
(b) Reconciliation of net profit to net cash flows from operations				
Net profit	**128,069**	185,471	**83,049**	71,544
Depreciation and amortisation	**65,172**	64,681	**1,736**	1,371
Amounts set aside to provisions	**19,100**	15,364	**976**	1,724
Write down of fixed assets	**–**	–	**–**	–
Write down of other non current assets	**3,444**	24,874	**–**	–
Net loss (profit) on disposal of property, plant & equipment	**26**	78	**–**	–
Net loss (profit) on disposal of investments	**(348)**	–	**–**	–
Loss/(profit) on disposal of controlled entities/businesses	**(18,432)**	–	**–**	–
Share of associate's net profits	**(5,277)**	(59,382)	**–**	–
Dividends received from associate	**40,443**	108,248	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

	CONSOLIDATED		COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
31. Notes to the Statements of Cash Flows (cont)				
Changes in assets and liabilities net of effects from disposal of controlled entities/businesses:				
Trade debtors	**(10,336)**	(34,358)	**–**	–
Other debtors and prepayments	**(1,417)**	(7,464)	**–**	–
Inventories	**(5,682)**	(2,787)	**–**	–
Trade creditors	**(17,892)**	16,123	**(5,455)**	5,171
Sundry creditors	**20,852**	12,128	**–**	–
Provisions	**(15,258)**	(11,342)	**(1,737)**	(1,685)
Tax balances	**(45,963)**	5,856	**4,825**	(3,752)
Transfers from related bodies corporate	**–**	–	**(149,131)**	(157,549)
Net cash flows from operating activities	**156,501**	317,490	**(65,737)**	(83,176)
(c) Disposal of controlled entities/businesses				
Consideration:				
Cash	**24,000**	–	**–**	–
Loan receivable	**–**	–	**–**	–
	24,000	–	**–**	–
Net assets of controlled entities/businesses disposed:				
Receivables	**1,910**	–	**–**	–
Inventories	**–**	–	**–**	–
Property, plant and equipment	**76**	–	**–**	–
Mastheads	**6**	–	**–**	–
Future income tax benefit	**3,788**	–	**–**	–
Accounts payable	**(122)**	–	**–**	–
	5,658	–	**–**	–
Outside equity interests	**–**	–	**–**	–
	5,658	–	**–**	–
(Loss)/Profit on disposal	**18,342**	–	**–**	–
(d) Acquisition of controlled entities				
Consideration:				
Cash	**2,400**	15,532	**–**	–
Retention payable	**(2,400)**	3,400	**–**	–
	–	18,932	**–**	–
Net assets of controlled entities acquired				
Receivables	**–**	2,988	**–**	–
Inventories	**–**	–	**–**	–
Property, plant and equipment	**–**	2,468	**–**	–
Intangibles	**–**	17,576	**–**	–
Accounts payable	**–**	(9,101)	**–**	–
Provisions	**–**	–	**–**	–
Borrowings	**–**	(22,328)	**–**	–
	–	(8,397)	**–**	–
Outside equity interests	**–**	506	**–**	–
	–	(7,891)	**–**	–
Goodwill on acquisition	**–**	26,823	**–**	–
	–	18,932	**–**	–

(e) Financing facilities

Refer Note 14.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

32. Financial Instruments

The consolidated entity enters into a range of derivative financial instruments to manage risks in accordance with a Treasury Policy approved by the board of directors of John Fairfax Holdings Limited.

The consolidated entity does not use financial instruments for speculative or trading purposes.

Interest rate risk

The consolidated entity enters into a range of financial instruments to manage interest rate risk with the objectives of reducing the risk to profitability and cashflow as well as the volatility of interest expense. Treasury Policy requires the proportion of fixed and variable rate risk, as well as the maturity of the fixed rate risk, be maintained within defined limits.

Interest rate swaps, forward rate agreements and options are utilised to maintain the proportion within policy limits and manage the rate setting process on the variable rate risk.

The following tables summarise the consolidated entity's exposure to interest rates.

		Fixed Interest Maturing in					
	Floating interest rate $000	1 year or less $000	Over 1 year to 5 years $000	More than 5 years $000	Non-interest bearing $000	Total $000	Weighted average effective interest rate %
As at 30 June 2001							
Financial assets							
Cash	8,542	–	–	–	–	8,542	4.9
Receivables	–	–	–	–	232,051	232,051	–
Investments	–	–	–	–	18,675	18,675	–
	8,542	–	–	–	250,726	259,268	
Financial liabilities							
Short term money market	18,000	–	–	–	–	18,000	5.9
Senior notes	–	–	–	150,754	–	150,754	6.5*
Medium term notes	–	150,000	150,000	–	–	300,000	6.8*
Promissory notes	140,000	–	–	–	–	140,000	5.7
Other borrowings	60,808	–	–	50,817	–	111,625	10.8
Lease liability	–	–	–	53,955	–	53,955	13.1
Total borrowings	218,808	150,000	150,000	255,526	–	774,334	
Interest rate swaps	80,754	100,000	(50,000)	(130,754)	–	–	
Accounts payable	–	–	–	–	158,657	158,657	
Provision for dividends	–	–	–	–	51,442	51,442	
	299,562	250,000	100,000	124,772	210,099	984,433	
As at 30 June 2000							
Financial assets							
Cash	10,557	–	–	–	–	10,557	5.9
Receivables	–	–	–	–	222,906	222,906	–
Investments	–	–	–	–	44,761	44,761	–
	10,557	–	–	–	267,667	278,224	
Financial liabilities							
Senior notes	–	–	–	150,754	–	150,754	7.2*
Medium term notes	–	–	150,000	150,000	–	300,000	7.8*
Promissory notes	5,000	–	–	–	–	5,000	6.3
Other borrowings	59,902	–	–	53,548	–	113,450	9.6
Lease liability	–	–	–	53,303	–	53,303	12.6
Total borrowings	64,902	–	150,000	407,605	–	622,507	
Interest rate swaps	40,754	140,000	100,000	(280,754)	–	–	
Accounts payable	–	–	–	–	205,363	205,363	
Provision for dividends	–	–	–	–	51,200	51,200	
	105,656	140,000	250,000	126,851	256,563	879,070	

** The weighted average effective interest rate incorporates the effect of interest rate swaps and options.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

32. Financial Instruments (cont)

Foreign exchange risk

The consolidated entity enters into a range of financial instruments to manage foreign exchange risk with the objectives of reducing the risk to profitability and cashflow and removing uncertainty in valuation of the balance sheet. The principal balance sheet risk arises from the issue of Senior Notes denominated in US dollars (refer Note 14). The exposure to US dollar payments for interest and principal under this transaction was fully hedged by a cross currency and interest rate swap transaction. At balance date the fair value of this cross currency swap is $99.8 million. The consolidated entity also enters into forward exchange contracts and currency options to hedge foreign currency denominated payments (principally Swiss francs and EURO) mainly for purchases of capital equipment, newsprint, paper and other materials.

The following table sets out the gross value to be received under foreign currency contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the consolidated entity at reporting date.

		2001 WEIGHTED AVERAGE EXCHANGE RATE	2000 WEIGHTED AVERAGE EXCHANGE RATE	2001 $000	2000 $000
US dollars	Not longer than one year	**–**	0.6001	**–**	3,333
EURO	Not longer than one year	**0.6289**	0.6413	**20,601**	85,778
	Longer than one year but not longer than two years	**0.6326**	0.6132	**11,663**	11,356
	Longer than two years but not longer than three years	**–**	0.6031	**–**	3,848
Swiss Francs	Not longer than one year	**0.9436**	1.0038	**6,698**	18,829
	Longer than one year but not longer than two years	**0.9281**	0.9658	**9,609**	3,901
	Longer than two years but not longer than three years	**–**	0.9282	**–**	8,759

Credit risk

The consolidated entity is exposed to credit risk representing the loss in the event of non-performance by financial instrument counterparties which are prime financial institutions. Credit risk is managed through the use of credit ratings and monitoring the usage of predetermined limits. As at 30 June 2001 the consolidated entity had no significant concentration of credit risk with any single counterparty or group of counterparties other than the mark to market on the US dollar currency swaps.

The consolidated entity's credit risk on financial assets excluding investments and derivatives is the carrying amount net of any provision for doubtful debts. Credit risk is managed through the use of credit ratings and monitoring the usage of credit allowed. Credit exposure of interest rate and foreign currency derivatives is represented by the fair value of the contracts.

Net fair values

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

Cash, receivables, accounts payable and provision for dividends – The carrying amounts of these financial instruments approximate fair value which is stated at the lower of cost or net realisable value.

Investments – The net fair value of investments in unlisted shares in other corporations and interests in unit trusts is determined by reference to the net fair value of the underlying net assets of the respective corporations / trusts.

Interest rate swaps, interest rate options, foreign currency contracts and borrowings – The net fair value is estimated as the present value of future cash flows using current market rates at reporting date and market accepted formulae.

	CARRYING AMOUNT ASSET (LIABILITY)		NET FAIR VALUE ASSET (LIABILITY)	
	2001 $000	2000 $000	2001 $000	2000 $000
Investments	**18,675**	44,761	**18,675**	44,464
Borrowings*	**(774,334)**	(622,507)	**(774,334)**	(622,507)
Interest rate swaps	**–**	–	**1,776**	64
Interest rate options	**–**	–	**–**	–
Foreign currency contracts	**–**	–	**1,796**	2,739

** Incorporates the effect of currency swaps.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

JOHN FAIRFAX HOLDINGS LIMITED AND CONTROLLED ENTITIES

33. Segment Reporting

The economic entity operates predominantly in Australia in two business segments: publishing and f2 interactive network, within the media industry. The publishing business comprises news, information and entertainment publishing and advertising sales in newspaper, magazine and electronic formats. The f2 interactive network business comprises News and Classifieds and Citysearch Directories.

	PUBLISHING		F2		CONSOLIDATED	
	2001 $000	2000 $000	2001 $000	2000 $000	2001 $000	2000 $000
Revenue						
Sales to customers outside the economic entity	**1,230,913**	1,276,745	**51,247**	55,429	**1,282,160**	1,332,174
Other revenue from customers outside the economic entity	**14,344**	14,614	**24,041**	–	**38,385**	14,614
Inter-segment revenue	**–**	–	**–**	–	**–**	–
Share of equity accounted profits	**5,277**	59,382	**–**	–	**5,277**	59,382
Total segment revenue	**1,250,534**	1,350,741	**75,288**	55,429	**1,325,822**	1,406,170
Result						
Segment result	**223,157**	347,068	**(32,355)**	(69,045)	**190,802**	278,023
Unallocated expenses					**–**	–
Consolidated profit from ordinary activities before income tax expense					**190,802**	278,023
Income tax expense					**(62,733)**	(92,552)
Consolidated profit from ordinary activities after income tax expense					**128,069**	185,471
Assets						
Segment assets	**2,172,554**	2,079,795	**99,614**	72,948	**2,272,168**	2,152,743
Unallocated assets					**–**	–
Total assets					**2,272,168**	2,512,743
Liabilities						
Segment liabilities	**1,112,706**	1,044,772	**18,478**	19,418	**1,131,184**	1,064,190
Unallocated liabilities					**–**	–
Total liabilities					**1,131,184**	1,064,190
Other segment information:						
Equity method investments included in segment assets	**4,184**	35,349	**–**	–	**4,184**	35,349
Acquisition of property, plant and equipment, intangible assets and other non-current assets	**198,390**	101,181	**26,926**	12,625	**225,316**	113,806
Depreciation	**57,308**	60,588	**5,261**	1,737	**62,569**	62,325
Amortisation	**1,262**	1,240	**1,341**	1,116	**2,603**	2,356
Non-cash expenses other than depreciation and amortisation	**18,915**	14,503	**3,434**	25,735	**22,349**	40,238

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of John Fairfax Holdings Limited, we state that -

1. In the opinion of the directors:
   - (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
     - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2001 and of their performance for the year ended on the date; and
     - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
   - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in Note 24 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

On behalf of the board

Jonathan S. Pinshaw
Chairman Finance and Audit Committee

Frederick G. Hilmer
Chief Executive Officer and Director

Sydney, 20 September 2001.

INDEPENDENT AUDIT REPORT

to the members of John Fairfax Holdings Limited

Scope

We have audited the financial report of John Fairfax Holdings Limited for the financial year ended 30 June 2001, as set out on pages 6 to 31, including the Directors' Declaration. The financial report includes the financial statements of John Fairfax Holdings Limited, and the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at year's end or from time to time during the financial year. The Company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

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

Audit Opinion

In our opinion, the financial report of John Fairfax Holdings Limited is in accordance with:

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

Ernst & Young

Brian Long
Partner
Sydney

Date: 20 September 2001

SHAREHOLDER INFORMATION

Twenty largest holders of securities at 31 August 2001	Number of Securities	%
(i) Ordinary shares		
Chase Manhattan Nominees Limited	111,635,347	15.19
National Nominees Limited	95,001,137	12.93
Westpac Custodian Nominees Limited	48,968,179	6.66
Citicorp Nominees Pty Limited (CFS WSLE Imputation Fund A/C)	25,149,577	3.42
RBC Global Services Australia Nominees Pty Limited	20,621,659	2.81
Queensland Investment Corporation	18,484,660	2.52
Citicorp Nominees Pty Limited (CFS WSLE Aust Share Fund A/C)	17,246,566	2.35
Citicorp Nominees Pty Limited (CFS Imputation Fund A/C)	15,630,644	2.13
Citicorp Nominees Pty Limited	13,729,319	1.87
AMP Life Limited	11,610,400	1.58
MLC Limited	10,931,247	1.49
Citicorp Nominees Pty Limited (CFS WSLE Industrial Share A/C)	10,928,454	1.49
ANZ Nominees Limited	9,112,840	1.24
Commonwealth Custodial Services Limited	9,098,197	1.24
Westpac Financial Services Limited	7,205,723	0.98
Chase Manhattan Nominees	5,936,319	0.81
Commonwealth Custodial Services Limited (A/C LGSS)	5,235,018	0.71
Government Superannuation Office	4,911,286	0.67
JP Morgan Custodial Services Pty Ltd	4,812,436	0.65
ING Life Limited	4,764,497	0.65
	451,013,505	61.39
(ii) Debentures		
National Financial Services	281	100.00
	281	100.00

(iii) Options

All options were issued to employees of the Company (or its related entities) and are not listed separately.

Substantial shareholders

Substantial shareholders as shown in substantial shareholder notices received by the Company at 31 August 2001 are:

	Ordinary Shares
Commonwealth Bank of Australia	101,825,610
Colonial Limited	89,867,661
Permanent Trustee Company Limited	82,469,593
Deutsche Australia Limited	65,992,846
UBS Nominees Pty Ltd	64,823,739
Perpetual Trustees Australia Limited	51,700,762

Distribution schedule of holdings at 31 August 2001

No. of securities	No. of ordinary shareholders	No. of debenture holders	No. of option holders
1 – 1,000	12,294	1	–
1,001 – 5,000	26,240	–	–
5,001 – 10,000	4,206	–	30
10,001 – 100,000	2,075	–	138
100,001 and over	192	–	18
Total number of holders	45,007	1	186
Number of holders holding less than a marketable parcel	–	–	–

Voting rights

Voting rights of shareholders are governed by Articles 5.8 and 5.9 of the Company's Constitution which provide that every member present personally or by proxy, attorney or representative shall on a show of hands have one vote and on a poll, shall have one vote for every share held. Debentures and options do not carry any voting rights.

PERFORMANCE SUMMARY

		2001	2000	1999	1998	1997	1996	1995
Total Revenue	$M	**1,327.7**	1,408.6	1,315.3	1,153.6	1,027.9	1,006.1	948.4
Operating revenue	$M	**1,288.5**	1,344.9	1,144.8	1,109.3	1,023.2	995.9	945.3
Earnings before depreciation, interest and tax (EBITDA)	$M	**299.8**	390.3	322.0	293.1	253.0	237.1	279.3
Depreciation	$M	**65.2**	64.7	67.1	69.3	68.2	41.5	26.2
Earnings before interest and tax	$M	**234.6**	325.6	254.9	223.8	184.8	195.6	253.1
Net interest expense	$M	**43.8**	47.6	46.7	55.9	67.0	44.0	36.6
Profit before tax and abnormals	$M	**N/A**	N/A	208.2	167.9	117.8	151.6	216.5
Abnormal items	$M	**N/A**	N/A	26.5	(8.5)	(16.4)	(21.9)	(10.9)
Profit before tax	$M	**190.8**	278.0	234.7	159.4	101.4	129.7	205.6
Income tax	$M	**62.7**	92.6	56.2	47.6	27.4	42.2	58.3
Net profit	$M	**128.1**	185.8	180.3	111.8	74.0	87.5	147.3
Net profit from continuing operations	$M	**126.2**	168.4	134.5	111.6	85.0	102.2	148.5
Shareholders' equity	$M	**1,141.0**	1,088.6	984.5	1,142.4	1,090.6	1,086.0	1,073.7
Total assets	$M	**2,272.2**	2,152.7	2,105.2	2,098.2	2,165.4	2,223.1	2,084.2
Total borrowings	$M	**774.3**	622.5	755.9	669.5	812.6	867.0	763.0
Number of shares and debentures	M	**734.9**	730.6	728.0	806.9	798.0	796.0	795.0
Number of shareholders		**45,007**	32,325	21,353	19,211	21,073	22,481	21,248
EBITDA to Operating Revenue	%	**23.3**	29.0	28.1	26.4	24.7	23.8	29.5
Earnings per share	Cents	**17.5**	25.5	23.2	14.0	9.3	11.0	18.6
Earnings per share from continuing operations	Cents	**17.3**	23.2	17.3	13.9	10.7	12.8	18.8
Cash flow per share	Cents	**21.3**	43.5	33.2	26.3	23.7	14.6	30.0
Dividend per share	Cents	**11.5**	11.5	10.5	9.5	9.5	9.5	9.5
Interest cover based on EBITDA	Times	**6.8**	8.2	6.9	5.2	3.8	3.6	5.4
Gearing	%	**67.9**	57.2	76.8	58.6	74.5	79.8	71.0
Return on shareholders' equity	%	**11.2**	17.1	18.3	9.8	6.8	8.1	13.7

DIRECTORY

Annual General Meeting

The annual general meeting will be held at 10.30am on Wednesday, 7 November 2001 in the Ballroom, Sheraton on the Park, 161 Elizabeth Street, Sydney.

Financial Calendar

For Financial Year 2000-2001

Books close for final dividend	20 September 2001
Annual general meeting	7 November 2001
Final dividend mailed	17 October 2001

Estimated for Financial Year 2001-2002

Interim result and dividend announcement	March 2002
Books close for interim dividend	April 2002
Interim dividend mailed	April 2002
Preliminary final result and dividend announcement	September 2002
Final dividend mailed	October 2002
Annual general meeting	November 2002

Company secretary

Gail Hambly

Registered office

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Darling Park
201 Sussex Street
Sydney NSW 2000
Ph: (02) 9282 3046
Fax: (02) 9282 3065

Share registry

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 1115
Ph: 1300 855 080
Fax: (02) 8234 5050

Computershare Investor Services Pty Limited
C/- Ernst & Young
54 Marcus Clarke Street
Canberra ACT 2601
Ph: 1300 855 080
Fax: (02) 6246 1500

Stock exchange listing

The Company's ordinary shares are listed on the Australian Stock Exchange Limited - "FXJ".

Website

This Full Financial Report and the Company's Concise Report can be found via the Fairfax Corporate Website at www.fxj.com.au. The Company's family of websites can be accessed through www.f2.com.au.

Removal from annual report mailing list

Shareholders who do not wish to receive either the Full Financial Report or the Concise Report should advise the Share Registry in writing.

Consolidation of shareholdings

Shareholders who wish to consolidate their separate shareholdings into one account should advise the Share Registry in writing.

Direct payment to shareholder's accounts

Dividends may be paid directly to bank accounts in Australia. These payments are electronically credited on the dividend date and confirmed by a mailed payment advice. Shareholders are advised to provide the Share Registry with their tax file number so that dividends can be paid without tax being withheld.