

Registered number: 3298904

BHP BILLITON GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018



BHP BILLITON GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

G P Stapledon
S F Cox
V Pant

REGISTERED NUMBER

3298904

REGISTERED OFFICE

Nova South
160 Victoria Street
London SW1E 5LB

BHP BILLITON GROUP LIMITED

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BHP BILLITON GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

Principal activities and review of business

The principal activity of the Company is the holding of investments, which includes responsibility for the subsidiary companies of BHP Group Plc. The Company carries out these activities through an intra-group service contract with a number of BHP group companies. The Company's business includes acting as an intermediary for cash sweeping for BHP's UK and European entities.

Principal risks and uncertainties

The following are the material risks and uncertainties that could affect the Company:

- The principal risk for the company relates to value of its investments from changes in operations and also foreign exchange risk.
- The company's immediate and ultimate holding company is BHP Group Plc and the principal risks and uncertainties of the BHP group are given in the BHP Group 2018 Annual Report and Accounts.

Post-balance sheet events

The significant post balance sheet events are disclosed in Note 18 to the financial statements.

Key performance indicators

Due to the nature of the Company, in our opinion there are no key performance indicators whose disclosure is necessary for an understanding of the performance or position of the business.

This report was approved by the board on 20th March 2019 and signed on its behalf.


.....
G P Stapledon
Director

BHP BILLITON GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their report and the financial statements for the year ended 30 June 2018.

RESULTS AND DIVIDENDS

The gain for the year, after taxation, amounted to US\$1,791,545,000 (2017: US\$708,427,000).

The Company declared and paid dividends to the holders of ordinary shares of US\$5,946,623,000 (2017: US\$770,160,000).

DIRECTORS

The Directors who served during the year were:

G P Stapledon
S F Cox
V Pant

These Directors are entitled to indemnities under the Directors and Officers Liability Insurance of BHP Group Plc that were in place during the year and at the date of this report.

None of the Directors, or their immediate family, had any beneficial interest in the shares of the Company during the year.

FUTURE DEVELOPMENTS

The nature of the Company's business will remain the same for the foreseeable future.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

HOLDING COMPANY

The Company's immediate and ultimate holding company is BHP Group Plc, a company incorporated in the United Kingdom.

POLITICAL CONTRIBUTIONS

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

GOING CONCERN

The financial statements have been prepared on the going concern basis. The Company has current liabilities in excess of current assets by US\$12,776,866,000 (2017: US\$12,621,788,000) and net assets of US\$1,534,364,000 (2017: US\$5,689,442,000).

These financial statements have been prepared on the going concern basis which the Directors believe to be appropriate despite the Company's net current liabilities position. The Company is dependent for its working capital on funds provided by its fellow subsidiary undertakings.

The Company's ultimate parent company BHP Group Plc, has provided the Company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such

BHP BILLITON GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

GOING CONCERN (Continued)

funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available by other fellow subsidiary undertakings. This should enable the Company to continue in operational existence for the foreseeable futures by meeting its liabilities as they fall due for payment.

Based on this undertaking, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

BHP BILLITON GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

AUDITOR

The auditor, KPMG LLP, is deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 20th March 2019 and signed on its behalf.



G.P. Stapledon
Director

Nova South
160 Victoria Street
London SW1E 5LB

BHP BILLITON GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

BHP BILLITON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BHP BILLITON GROUP LIMITED

Opinion

We have audited the financial statements of BHP Billiton Group Limited ("the company") for the year ended 30th June 2018 which comprise the Statement of profit and loss and other comprehensive income, Balance sheet, Statement of changes in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

BHP BILLITON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BHP BILLITON GROUP LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Michiel Soeting (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
20th March 2019

BHP BILLITON GROUP LIMITED**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$000	2017 \$000
Other operating expenses		(19,055)	(18,865)
Operating loss		(19,055)	(18,865)
Income from shares in group companies		1,946,624	770,160
Interest receivable and similar income	5	77,593	68,344
Interest payable and similar charges	6	(230,541)	(124,787)
Profit on ordinary activities before taxation		1,774,621	694,852
Taxation on loss on ordinary activities	7	16,924	13,575
Income for the financial year		1,791,545	708,427
Other comprehensive income			
Total comprehensive income for the year		1,791,545	708,427

The notes on pages 12 to 25 form part of these financial statements.

BHP BILLITON GROUP LIMITED

**BALANCE SHEET
AS AT 30 JUNE 2018**

	Note	2018 \$000	2017 \$000
ASSETS			
<u>Fixed assets</u>			
Investments	9	18,311,230	18,311,230
		<u>18,311,230</u>	<u>18,311,230</u>
<u>Current assets</u>			
Debtors: Amounts falling due within one year	10	1,962,396	656,387
<u>Current liabilities</u>			
Creditors: Amounts falling due within one year	11	(14,739,262)	(13,278,175)
Net current liabilities		<u>(12,776,866)</u>	<u>(12,621,788)</u>
Total Assets less Current Liabilities		<u>5,534,364</u>	<u>5,689,442</u>
<u>Non-current liabilities</u>			
Interest bearing liabilities	12	(4,000,000)	-
Net Non-Current Liabilities		<u>(4,000,000)</u>	<u>-</u>
NET ASSETS		<u>1,534,364</u>	<u>5,689,442</u>
CAPITAL AND RESERVES			
Called up share capital	14	107,002	107,002
Share premium account		75	75
Profit and loss account		1,427,287	5,582,365
		<u>1,534,364</u>	<u>5,689,442</u>

The financial statements were approved and authorized for issue by the board and were signed on its behalf on 20th March 2019.


G P Stapledon
Director

The notes on pages 12 to 25 form part of these financial statements.

BHP BILLITON GROUP LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Share capital	Share premium	Retained earnings	Total equity
	\$000	\$000	\$000	\$000
At 1 July 2017	107,002	75	5,582,365	5,689,442
Comprehensive income for the year				
Profit for the year			1,791,545	1,791,545
Other comprehensive income for the year				
Total comprehensive income for the year			1,791,545	1,791,545
Contributions by and distributions to owners				
Dividends: Equity capital			(5,946,623)	(5,946,623)
Total contributions by and distributions to owners			(4,155,078)	(4,155,078)
At 30 June 2018	107,002	75	1,427,287	1,534,364

The notes on pages 12 to 25 form part of these financial statements.

BHP BILLITON GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Share capital \$000	Share premium \$000	Retained earnings \$000	Total equity \$000
At 1 July 2016	107,002	75	5,644,098	5,751,175
Comprehensive income for the year				
Loss for the year	-	-	708,427	708,427
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	708,427	708,427
Contributions by and distributions to owners				
Dividends	-	-	(770,160)	(770,160)
Total contributions by and distributions to owners	-	-	(61,733)	(61,733)
At 30 June 2017	107,002	75	5,582,365	5,689,442

The notes on pages 12 to 25 form part of these financial statements.

BHP BILLITON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

BHP Billiton Group Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 3298904 and the registered address is Nova South, 160 Victoria Street, London SW1E 5LB. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 GROUP ACCOUNTS

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, BHP Group Plc includes the Company in its consolidated financial statements. The consolidation financial statements of BHP Group Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Nova South, 160 Victoria Street, London SW1E 5LB.

BHP BILLITON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. ACCOUNTING POLICIES (continued)

1.4 GOING CONCERN BASIS

The financial statements have been prepared on a going concern basis. The Company has current liabilities in excess of current assets by US\$12,776,866,000 (2017: US\$12,621,788,000) and net assets of US\$1,534,364,000 (2017: US\$5,689,442,000) at 30 June 2018.

These financial statements have been prepared on the going concern basis which the Directors believe to be appropriate despite the Company's net current liabilities position. The Company is dependent for its working capital on funds provided by its fellow subsidiary undertakings.

The Company's ultimate parent company BHP Group Plc, has provided the Company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available by other fellow subsidiary undertakings. This should enable the Company to continue in operational existence for the foreseeable futures by meeting its liabilities as they fall due for payment.

Based on this undertaking, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.5 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

External and internal sources of information may indicate that an impairment loss recognised for an asset, other than goodwill, may no longer exist or may have decreased. The external indicators may include significant favourable changes in the asset's value and market conditions. The internal indicators may include significant favourable changes in the asset's use and performance. If, as a result, the estimates used to determine an asset's or a CGU's recoverable amount have improved since the last impairment loss was recognised, the impairment loss that was previously recognised for the asset, other than goodwill, is reversed. That is, an impairment reversal cannot be recognised merely from the passage of time or improvement in the general market condition. When an impairment reversal is recognised, the adjusted carrying amount of the asset may not exceed the carrying amount of the asset that would have been determined had no impairment loss been previously recognised. The asset's remaining useful life, the depreciation (amortisation) method or the residual value needs to be reviewed and adjusted if there is an indication that impairment may no longer exist, even if no impairment loss is reversed. IAS 36 specifically prohibits the reversal of impairment losses for goodwill.

1.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

BHP BILLITON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. ACCOUNTING POLICIES (continued)

1.7 CREDITORS

Creditors are obligations to pay as a consequence of Company's financing and investing activities and comprise amounts owed to the group undertakings

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.8 FINANCIAL INSTRUMENTS

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument and are initially recognized at fair value.

1.9 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

1.10 FINANCE COSTS

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

BHP BILLITON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. ACCOUNTING POLICIES (continued)

1.11 DIVIDENDS

Equity dividends are recognised when they become legally payable. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.³

1.12 INTEREST INCOME

Interest income is recognised in the Profit and Loss account using the effective interest method.

1.13 TAXATION

Tax is recognised in the Income Statement, except to the extent that it is attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity in which case it is recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

The UK corporation tax rate was reduced from 20% to 19% effective from 1 April 2017 and will reduce to 17% from 1 April 2020.

BHP BILLITON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosure. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimated which may be material to the financial statements.

The recognition and measurement of impairment of investments in subsidiaries requires the use of significant judgements and estimates in which investments in subsidiaries are reviewed for impairments where events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If the asset is determined to be impaired, an impairment loss will be recorded and the asset written down based on the amount by which the asset carrying amount exceeds the higher of fair value less cost of disposal and value in use. An impairment loss is recognized immediately in the income statement.

Additional information relating to the significant judgments and estimates of impairments of investments in subsidiaries is embedded within Note 9 Investments.

3. OPERATING RESULTS

The operating loss is stated after (crediting) / charging:

	2018 \$000	2017 \$000
Auditor's remuneration	15	15
Exchange differences	4	(6)
Management fees	19,043	18,862

The auditor's remuneration in respect of the Company's audit was borne by a fellow group undertaking. There was no other remuneration paid to the auditors in respect of non-audit services rendered to the Company during the year. (2017: US\$ Nil).

Management Fees consist of Intra Group Service Charges related to global functional costs such as external affairs and finance recovery costs charged by BHP Billiton International Services Limited.

4. EMPLOYEES

The Company has no employees.

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

No directors remuneration was allocated to the Company.

BHP BILLITON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

5. INTEREST RECEIVABLE AND SIMILAR CHARGES

	2018 \$000	2017 \$000
Interest receivable from group undertakings	<u>77,593</u>	<u>68,344</u>
	<u>77,593</u>	<u>68,344</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 \$000	2017 \$000
Interest charge on loans from group undertakings	<u>230,541</u>	<u>124,787</u>
	<u>230,541</u>	<u>124,787</u>

7. TAXATION

	2018 \$000	2017 \$000
Analysis of tax credit in the year		
Current tax		
Current tax charge/(credit) for the year	(17,589)	(14,737)
Withholding tax	705	281
Adjustment in respect of prior periods – charge/(credit)	<u>(40)</u>	<u>881</u>
Total tax charge/(credit)	<u>(16,924)</u>	<u>(13,575)</u>

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

The reconciliation between expected tax charge / (credit), computed by applying the standard rate of corporation tax to the profit / (loss) for the year, and the actual tax credit is as follows:

	2018 \$000	2017 \$000
Profit / (loss) on ordinary activities before tax	<u>1,774,621</u>	<u>694,852</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19.75%)	337,178	137,233
Effects of:		
Non-deductible expenses	-	136
Non-taxable dividend income	(369,859)	(152,106)
Adjustment in respect of prior periods	(40)	881
Unrecognised tax losses	15,092	-
Unrelieved Withholding Tax	705	281
Total tax charge/ (credit) for the year	<u>(16,924)</u>	<u>(13,575)</u>

BHP BILLITON GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

7. TAXATION (continued)

United Kingdom taxation

The UK corporation tax rate was reduced from 20% to 19% effective from 1 April 2017 and will reduce to 17% from 1 April 2020. The Company is a member of a group for purposes of relief under Part 5 Corporation Tax Act 2010. The Company has provided group relief to other group companies at the tax cost of the relief provided (2017: group relief was provided at the tax cost of the relief provided).

8. UNRECOGNISED DEFERRED TAXATION

The Company has unused income and capital losses of US\$180,038,635 and US\$19,694,627 respectively (US\$100,606,762 and US\$19,694,627 as at 30 June 2017). Deferred tax assets have not been recognised in respect of these unused losses as it is not probable that there will be future taxable profits against which these unused tax losses can be utilised.

9. FIXED ASSET INVESTMENTS

	Investments \$000
Cost or valuation	
At 1 July 2017	18,311,230
Impairment losses recognized in Profit or Loss	-
At 30 June 2018/1 July 2018	<u>18,311,230</u>
Additional investments	-
At 30 June 2018	<u>18,311,230</u>
Net book value	
At 30 June 2018	18,311,230
At 30 June 2017	<u>18,311,230</u>

BHP BILLITON GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018****9. FIXED ASSET INVESTMENTS (continued)****SUBSIDIARY UNDERTAKINGS**

The following were direct subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
BHP Billiton UK Holdings Limited	British Virgin Islands	Ordinary	100%	Holding company
BHP Billiton UK Investments Limited	British Virgin Islands	Ordinary	100%	Holding company
BHP Billiton (UK) Limited	England and Wales	Ordinary	100%	Holding company
BHP Billiton Finance Plc	England and Wales	Ordinary	1%	Treasury company
BHP Billiton Holdings Limited	England and Wales	Ordinary	0.2%	Holding company
Stein Insurance Company Limited	Guernsey	Ordinary	100%	Insurance company
BHP Billiton Technology (Shanghai) Co. Ltd.	China	Ordinary	100%	Technology company

In the opinion of the Directors the investments in and amounts due from the Company's investments are worth at least the amounts at which they are stated in the balance sheet.

A review of the net asset value of the investments held by the Company has been performed and no impairment required for the year.

BHP BILLITON GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018****10. DEBTORS: Amount falling due within one year**

	2018 \$000	2017 \$000
Amounts owed by group undertakings	2,123,744	822,427
Provision for doubtful debts	(178,716)	(178,716)
Prepayments and accrued income		
Group relief receivables	17,368	12,676
	<u>1,962,396</u>	<u>656,387</u>

11. CREDITORS: Amounts falling due within one year

	2018 \$000	2017 \$000
Amounts owed to group undertakings	14,739,262	13,278,175
	<u>14,739,262</u>	<u>13,278,175</u>

12. INTEREST BEARING LIABILITIES

	Maturity Date	2018 \$000	2017 \$000
BHP Billiton Finance B.V.	2023	<u>4,000,000</u>	

The loans are unsecured, in US Dollars, with repayment at maturity. Interest is compounded semi-annually on three-month market rates (unless otherwise stated).

13. DIVIDENDS

	2018 \$000	2017 \$000
Ordinary shares		
Dividend paid of \$ 27.79 per share (2017: \$ 3.60)	<u>5,946,623</u>	<u>770,160</u>

14. SHARE CAPITAL

	2018 \$000	2017 \$000
Shares classified as equity		
Allotted, called up and fully paid		
214,003,529 (2017: 214,003,529) Ordinary shares of \$0.50 each	<u>107,002</u>	<u>107,002</u>

BHP BILLITON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

14. SHARE CAPITAL (continued)

	2018 \$000	2017 \$000
Shares classified as debt		
Allotted, called up and fully paid		
1 5.5% Cumulative non-redeemable preference share of £1		

15. COMMITMENTS

There were no capital commitments at the end of the year (2017: US\$ Nil).

16. ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The ultimate holding company of BHP Group Limited is BHP Group Plc, a company listed on the London Stock Exchange and incorporated in the United Kingdom. BHP Group Plc includes the Company within its consolidated financial statements, which are prepared in accordance with International Reporting Financial Standards.

The registered office of the Company and BHP Group Plc is Nova South, 160 Victoria Street, London SW1E 5LB.

The consolidated financial statements of this group are available to the public and may be obtained from Nova South, 160 Victoria Street, London SW1E 5LB.

BHP BILLITON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

17. RELATED UNDERTAKINGS

In accordance with Section 409 of the Companies Act 2006 a full list of related undertakings, the country of incorporation and the effective percentage of equity owned, as at 30 June 2018 is disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary or common shares which are held by subsidiaries of BHP Billiton Group Limited.

Fully owned subsidiaries ^(a)

Country of incorporation

Australia

Registered office address

Level 14, 480 Queen Street, Brisbane, QLD 4000, Australia

Company name

BHP Billiton Energy Coal Australia Pty Ltd

Coal Mines Australia Pty Ltd

Hunter Valley Energy Coal Pty Ltd

Mt Arthur Coal Pty Limited

Mt Arthur Underground Pty Ltd

Level 15, 171 Collins Street, Melbourne, VIC 3000, Australia

BHP Billiton Aluminium Australia Pty Ltd

BHP Billiton SSM Development Pty Ltd

BHP Group Pty Ltd

BHP Pty Ltd

Billiton Australia Finance Pty Ltd

Billiton Manganese Australia Pty Ltd

British Virgin Islands

Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British, Virgin Islands

BHP Billiton UK Holdings Limited

BHP Billiton UK Investments Limited

Canada

333 Bay Street, Suite 2400, Bay Adelaide Centre, Box 20, Toronto ON M5H2T6, Canada

Rio Algom Exploration Inc.

Rio Algom Investments (Chile) Inc.

Rio Algom Limited

Cayman Islands

2nd Floor - Building 3, Governors Square 23 Lime Tree Bay Avenue, Grand Cayman, KY1-1205, BWI, Cayman Islands

RAL Cayman Inc.

Riocerro Inc.

Riochile Inc.

BHP BILLITON GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

17. RELATED UNDERTAKINGS (continued)

Fully owned subsidiaries ^(a)

Chile

Cerro El Plomo 6000, Piso 15, Las Condes, Santiago, Chile

Compañía Minera Cerro Colorado Limitada ^(b)

Minera Spence SA

BHP Billiton Explorations Chile SpA

China

Suite 1209, Level 12, One Corporate Avenue, 222 Hubin Road, Shanghai, Huangpu, China

BHP Billiton Technology (Shanghai) Co. Ltd.

Guernsey

Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY, Channel Islands

Stein Insurance Company Limited

Ireland

19-20 Seagrave House (1st Floor), Earlsfort Terrace, DUB 2, Ireland

Billiton Investments Ireland Limited

Jersey

31 Esplanade, St Helier, Jersey, JE1 1FT, Jersey

BHP Billiton Services Jersey Limited

Netherlands

Naritaweg 165, 1043 BW, AMS, Netherlands

BHP Billiton Company B.V.

BHP Billiton International Metals B.V.:

Billiton Development B.V.

Billiton Investment 3 B.V.

Billiton Investment 8 B.V.

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

BHP Billiton Finance B.V.

Billiton Guinea B.V.

Billiton Suriname Holdings B.V.:

Philippines

Pearlbank Centre, 20th Floor - 146 Valero Street, Salcedo Village, Makati City, 1227, Philippines

QNI Philippines Inc. (99.99%)

BHP BILLITON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

17. RELATED UNDERTAKINGS (continued)

Fully owned subsidiaries ^(a)

United Kingdom

36 East Stockwell Street, Colchester, Essex, CO1 1ST, England, United Kingdom

Billiton Executive Pension Scheme Trustee Limited

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

BHP Billiton (UK) Limited

BHP Aluminium Limited

BHP Billiton Holdings Limited

BHP Billiton International Services Limited

BHP Billiton Sustainable Communities

United States of America

1209 Orange Street, Wilmington, DE, 19801, United States of America

Rio Algom Mining L.L.C

Zambia

Unit B, Counting House Square, Thabo Mbeki Road, Lusaka, Zambia

Billiton Development (Zambia) Limited

^(a) Fully owned 100 per cent subsidiary controlled by BHP Billiton Group Limited

^(b) Capital contribution, no shares

BHP BILLITON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

18. POST BALANCE SHEET EVENTS

On 1 July 2018, the Company participated to the Intra-Group Funding Framework to provide a consistent approach to the structure and pricing of BHP group intra-group funding arrangements, ensure compliance to current tax and legal requirements and standardise the terms and conditions used to document the BHP group intra-group funding arrangements.

On 27 November 2018, the Company paid dividends amounted to US\$641,500,000 to BHP Group Plc.
Subsequent to year end