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we know wool

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annualreport 2013



Chairman's Message

Uncertain economic environments in all major wool consuming nations, especially Europe, continued throughout fiscal 2013 and led to generally soft demand for wool throughout the year. This soft demand, together with continuing strength in the Australian dollar for most of the year, held wool prices at around the levels of the previous year. Disappointingly, significant weakening of the Australian dollar over the final months of fiscal 2013, which resulted from fears of a slow down in the Chinese economy and hence a softening of hard commodity prices, did not flow through to increasing Australian dollar prices for wool. The AWEX Eastern Market Indicator closed the year at 1047 cents per kilogram clean, compared with 1076 cents per kilogram clean at the end of fiscal 2012.



Over the year, price falls across all micron categories were reasonably uniform, continuing the recent trend for reduced premiums for fine and superfine wools, production of which is now at quite marginal profitability levels. Fiscal 2013 saw a slight decrease in the size of the Australian sheep flock, which is estimated to have reduced by about one million head to just over 74 million head. Wool production is estimated to have been around 350 million kg greasy, with fleece weight marginally down on the previous year, reflecting a generally poorer season and changes in the sheep breed demographic. The outlook is for a small decrease in wool production in fiscal 2014.

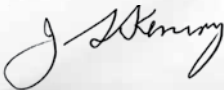
At the operational level, AWEX returned a deficit of \$121,207 in fiscal 2013, compared with a surplus in the prior year of \$329,473. Modest improvements in results from several areas of activity were more than off-set by a reduction of some \$300,000 in revenue from bale label sales; bale label sales fell year on year from around two million in fiscal 2012 to 1.3 million in fiscal 2013, compared with an expected usage level of wool packs, based on wool production and sales, of around 1.7 million. We expect increased sales of bale labels in fiscal 2014, as pipeline stocks of both labels and woolpacks

are re-built. QA activities, including woolclasser activities, generated a deficit of \$258,653, largely as a result of the afore-mentioned reduction in bale label sales, whilst AWEX's commercial activities also generated a small deficit. At year end, cash reserves were \$7,231,793.

Throughout the year, AWEX initiated a number of activities that will be of benefit to the industry generally, and to AWEX members. These included:

1. The triennial woolclasser registration fell due in fiscal 2013. Registrations numbered 18,584 compared with 20,573 in 2010-12. The relatively small reduction over the period is a pleasing result in light of the generally depressed state of the industry in recent years. Woolclassers are, of course, an integral part of the industry's overall QA program, and AWEX has taken initiatives to underpin the promotion and availability of woolclasser training courses throughout Australia.
2. Early in fiscal 2014, we appointed a "Woolclasser Ambassador", whose responsibilities will be to foster a quality assurance philosophy in all woolclassers, to promote recognition of woolclassing as an esteemed and rewarding occupation, and to promote, especially in China, the importance of woolclassing to assuring the overall quality of Australian wool.
3. Extensive trialing, in association with several industry partners, of four alternative wool pack designs that were aimed at reducing the incidence of over-width loads. This culminated in a decision by the board in July 2013 to initiate a revision of the woolpack specification, which will be implemented once the necessary procedural changes are made with Australian Government regulatory bodies such as Customs.
4. Initiation of a major up-grade of AWEX's computer systems which will significantly de-risk our operations and which should deliver benefits to members and industry generally. This project is now well underway and is estimated to take approximately two years to complete.
5. The NWD audit system was continued throughout fiscal 2013, fully funded by AWEX. It is pleasing to see continued uptake of the NWD, and increasing recognition by international buyers of the importance and relevance of the NWD.

Finally, I would like to thank my fellow Board members for their constructive contributions to AWEX throughout the year, and on their behalf express our sincere appreciation for the enthusiastic and dedicated work of Chief Executive, Mark Grave and his management team throughout the year. It is much appreciated.



John Keniry AM, Chairman
September 2013

CEO's Report

In December 1993 the Australian Parliament passed legislation requiring the statutory wool marketing authority - the Australian Wool Corporation - to divest itself of the responsibility for administering wool marketing arrangements in the Australian Wool Industry. In response, commercial interests representing the wool buyers and sellers in Australia established the Australian Wool Exchange (AWEX) as a public company, limited by guarantee to manage and administer wool marketing arrangements in the Australian wool industry. The Australian Wool Exchange was established on 31st August 1993 and began operations in February 1994.



The membership of AWEX includes wool brokers, exporters, private treaty merchants, processors, wool growers and associates. Today, the Australian wool industry manages its own affairs in a self-regulated marketing environment, free from Government intrusion.

It was on the 31st August 1993 when the AWEX Board held its first meeting; and in 2013 AWEX passed another milestone, its 20th anniversary. It is a proud achievement for AWEX Members, AWEX staff and the Australian wool industry.

AWEX has only been able to achieve what it has through the support and participation of AWEX members and the greater wool industry.

Reputations and respect are hard earned in the wool industry. Longevity, particularly for service organisations, is only possible if the company is prepared to strategically evolve in the face of challenges and in seeking opportunities.

Since 1993, AWEX has acquired, developed, consolidated and refined many services that support the trading of wool. These services often remain unnoticed or are taken for granted because they successfully run in the background. AWEX has developed with the support of industry quality assurance programs, market information and trading infrastructure.

2012/13 has been a year where AWEX has been able to continue to refine and redefine its services to Members and industry, whilst creating further efficiencies and productivity gains to enable the industry to remain competitive in a highly competitive market.

Simple goals of “increasing efficiency and productivity” has enabled AWEX to continue to deliver improved services to industry. Consultation and feedback from members and customers has been vital to ensure the services being provided by AWEX remain relevant.

In 2011, AWEX consulted with the broader industry to consider whether the quality assurance (QA) programs delivered by AWEX were relevant; and if so, there was a requirement to secure ongoing funding. The response from industry was overwhelmingly in support of the need to continue the QA programs, and together it was agreed that the funding should be provided through the sale of AWEX bale labels to wool pack manufacturers. AWEX remains committed to delivering an open and transparent report back to industry on the programs supported by this funding.

The 2012/13 financial year has proven a difficult one for AWEX. Bale label sales were 35% lower than 2011/12, which were 15% higher than the year prior. The supply of wool packs through the pipeline tightened up in early 2012 only to be followed by a strong manufacturing period that inflated the 2011/12 bale label sales.

Since the introduction of the new bale label funding model in 2011, wool production has remained static but wool pack supply to importers, retailers and merchandise outlets remained unpredictable. Many agricultural retail outlets today operate on a just-in-time basis and most commercial operators are reluctant to carry stock. Since 2011, new wool pack manufacturers have entered the market, which has continued to intensify the competitiveness of manufacturers and retailers in a relatively small market.

It is expected that bale label sales will return to the average of 1.7m per annum, particularly as it is anticipated that there will be little change in national wool production.

The AWEX operating result in 2012/13 was a deficit of \$121,207, compared to a surplus of \$329,473 in 2011/12. AWEX staff levels remain relatively constant with 15 permanent staff and 9 casual staff across all locations and all activities. Expenses continue to be monitored closely.

In 2013 AWEX concluded the wool pack standard review. The review took two years to complete and involved 1,800 trial wool packs used on 27 sheep production enterprises across NSW and Victoria, across a range of sheep production enterprises and breed types. The result of this extensive series of trials has been a pragmatic solution to resolving a serious safety concern for road users.

The recommendations to change the wool pack standard have been approved by the AWEX Board and AWEX is currently working with the Department of Agriculture, Forestry and Fisheries to implement the new standard as part of the Customs regulations. It is expected that the new wool pack design will start to be produced in late 2013 with the first to be imported at the beginning of 2014.

This review has served as an excellent example of industry stakeholders, Governments and regulators working together to improve an issue of common interest: road safety.

Also in 2012/13, AWEX formerly released WoolClip, the new woolclasser software program. The release of WoolClip will lift woolclasser professional skills, improve documentation and minimise errors from woolclasser specifications which has been costly to the wool industry. Wool brokers have complained about this issue for many years citing up to 70% of all woolclasser's specifications contain at least one error. Errors range from typographical errors to the duplication of bale numbers; these errors are costly to the wool broker and the wool grower.

CEO's Report *cont...*

WoolClip has now been released to over 300 woolclassers and woolgrowers who have attended training workshops to learn how to use the new software program. AWEX supports the software with a help line offering level 1 & level 2 support services to users.

WoolClip has been made available to woolclassers and wool growers free of charge to ensure there was no financial inhibitor to the uptake of the program. The reaction from the workshops has been fascinating; in a very short time attendees see the benefits and potential opportunities of using the software. AWEX does not encourage removing the existing wool book or tally book as these are excellent reference tools as a back-up.

A significant portion of the 2012/13 year was dominated by the triennial woolclasser registration. Woolclasser registration is important to the wool industry for several reasons:

1. It supports the professionalism of the wool industry,
2. Woolclassers are updated with the latest industry information and standards so that they are current with industry needs and trends, and
3. It is one of the few formal census that takes place on a regular basis.



As a census, the woolclasser registration allows us to take a snap shot of the profile of the industry, identify trends and plan for the future.

As has been the case over the past 12 years, the declining number of registered woolclassers is consistently in the order of 8-10%. In the 2010-12 period there were 20,534 registered woolclassers with the 2013-15 period currently holding 18,584 woolclassers.

The tendency of an increasing average age of woolclassers has continued; but importantly, the trend over the past decade has been for woolclassers to train as professional (AW) woolclassers rather than owner (OC) woolclassers in a ratio of 9:1. This means that while we have less woolclassers in total, the proportion of woolclassers who are registered as professionals has increased, which supports a more mobile and flexible workforce.

In 2013-15, another milestone that has been achieved. 1963 was the first recorded year of woolclasser registration in Australia – this year woolclasser registration has achieved its 50 year anniversary. This is a very proud heritage that has allowed the Australian wool industry to build

its reputation for producing well prepared wool and it has been the cornerstone of our quality assurance programs.

In 2013-15, AWEX has 205 woolclassers achieving the milestone of having been continually registered since 1963. Of the 205, most remain actively engaged in the wool industry as a woolclasser as it is their life-long passion.

On behalf of AWEX and the wool industry I would like to acknowledge the valuable contribution that each woolclasser has made to the industry in their pursuit of excellence and professionalism.

I was fortunate to have been able to publically acknowledge a few of the class of 1963 at a Woolclassers' Forum held in Hamilton, Victoria in August. AWEX will recognise all woolclassers who achieve the 50th year milestone.

AWEX is proud of its 20-year history and its achievements during this period which included: the introduction of nylon wool packs, online market reporting services, increase in professionalism of woolclassing and the Code of Practice, AWEX-ID and the National Wool Declaration - Integrity Program.

AWEX has changed with the times and has been prepared to make bold decisions to adapt to suitable, affordable or commercial solutions as they become available.

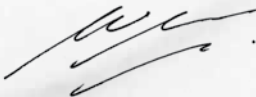
We are now commencing our 21st year and the value of our services to members and the Australian wool industry is based on our independence, integrity and our experienced and respected staff.

There will be challenges ahead, but AWEX will continue to work with the wool industry to ensure that solutions are achieved together.

On behalf of AWEX management and staff I would like to acknowledge the support of AWEX Members. Many of our foundation members remain active and passionate about and within AWEX today. It is this support and the challenges from our members that makes AWEX strive to improve our services.

I would also like to express my appreciation to AWEX Chairman, John Keniry AM and AWEX Directors for their openness and candour in considering all issues faced by AWEX. AWEX has been fortunate in the quality of its Directors and their preparedness to commit and share their considered opinions for the benefit of AWEX.

Finally, I would like to acknowledge on behalf of the AWEX Board and Members the valuable contribution of the many talented AWEX staff. The role of AWEX ranges between innovator, facilitator and most often service provider. None of this would have been possible if not for the dedicated and skilled professionalism of AWEX staff, both past and present. Many of today's AWEX staff have served the wool industry for over 10 years and whilst there have been many demanding and at times trying times, their spirit and commitment to the goals of AWEX have never waived. Through it all they have been able to build relationships; and with it, respect. Thank you.



Mark Grave, CEO
September 2013

AWEX – 20 Years

One can't help but take this opportunity on an occasion such as the 20th Anniversary of the Australian Wool Exchange to reflect on what has been a remarkable journey full of achievements and challenges.

The origins of AWEX dates back to the early 1990s when the Australian wool industry was facing a number of crises that required the wool industry to unite if it was to go forward. A number of key industry groups, including Exporters, Brokers and Growers identified that the former Australian Wool Corporation's (AWC) demise would have serious ramifications for the day-to-day trading of wool unless an alternative solution was found.

The industry chose to establish an independent not-for-profit company in AWEX to undertake many of the administrative functions and associated services to be delivered to industry.

AWEX - Chairman Honour Roll



James D O. Boyd
Interim Chairman, 1993



Charles P. Curran AC
Chairman, 1993-1996



John O'Neill AO
Chairman, 1996-2001

The early years were hallmarked by growth and growing pains. AWEX was established on 31st August 1993 with 1 staff member, the inaugural Managing Director, Peter Smith. Foundation members provided start-up funding, which was to be repayed after 12 months in operation. Before the first 12 months had been completed the number of staff had grown to 8 and offices had been established in the North (Yennora), South (Brooklyn) and the West (Fremantle).

AWEX Head office had taken up short term office space at 1 York Street, Sydney and Mr Charles Curran was appointed as the new AWEX Chairman. A new independent Chairman for a new company tackling issues in an industry that has a rich and long history.

Each Board meeting brought together the elected Directors of each commercial sector of the wool trade: Exporters, Brokers, Private Treaty Merchants, Processors and Wool Growers. Deliberations

were long and vigorous and those that caused the most vigorous of debates are the same issues which provoke debate today.

At its peak AWEX had close to 35 staff across all levels. It was only a short matter of time for AWEX to realise that it must become innovative and use technology to deliver productivity and efficiency gains. AWEX invested in technology, both software and hardware, to be utilised in areas where traditionally there was very little. These investments continue to deliver dividends today.

In 2013, AWEX staff number 15 and through the use of technology AWEX is able to continue



Don Watt
Interim Chairman, 2001



Robert A. Farrar
Chairman, 2001-2010



John Keniry AM
Chairman, 2010-Current

improve its services and their delivery to members, customers and stakeholders.

Over the past 20 years AWEX has been fortunate in the level of support it has received from its membership. It was never going to be easy for AWEX since bringing together different and sometimes opposing sectors can be fraught with danger. The goodwill AWEX has received has enabled it to work through issues when it seemed no resolution was possible.

It took at least the first 10-15 years of AWEX for members and industry to understand what self-regulation meant. The shackles of the AWC era were still ringing in everyone's ears as many fondly remembered structures such as JWSO (Joint Wool Selling Organisations) and the comfort of a regulator making decisions. The industry has now successfully moved on and realises that the future of the industry, whilst in need of order, is in their own hands.

AWEX – 20 Years *cont...*



AWEX Board 1994

Standing from L to R: Andrew Thomas, Robert Amos, Ian Laycock, Charles Armstrong, Peter Smith (Managing Director), Des Sheedy, Peter Wesley, Don Booth.
Seated: Charles Curran AC (Chairman) and David Boyd.



AWEX Board 1997

Standing from L to R: Michael Bowden, Geoffery Stooke OAM, John O'Neill AO (Chairman), Robert Quirk, Rod Thirkell-Johnston and Don Watt.
Seated: Anthony Tome, Don Belgre, Peter Smith (Managing Director) and Alan Schmerl.



AWEX Board 1999

Standing from L to R: Don Belgre, Paul Brown, David Michell, Robert Quirk, Geoffery Stooke OAM, Ted Harnett.

Seated: David White (CEO), Ian Mclvor AM, Don Watt and Michael Bowden.



AWEX Board 2001

Standing from L to R: David Nancarrow, David White (CEO), Geoffery Stooke OAM, Michael Nicholls, Don Belgre, David Michell.

Seated: Martin Moses, Don Watt (Interim Chairman), Ian Mclvor AM and Alan Harris.

AWEX - Director Honour Roll

Surname	First name	Member Class	from	to
Amos	Robert	Private Treaty Merchant	1993	1996
Amos	Robert	Private Treaty Merchant	2005	2011
Armstrong	Charles	Woolgrower	1993	1996
Avery	Michael	Exporter/Processor	2009	Current
Baker	Ken	Broker	1995	1996
Baronet	Leon	Processor	1999	1999
Belgre	Don	Exporter	1996	2006
Belgre	Don	Exporter/Processor	2006	2009
Booth	Don	Exporter	1993	1995
Bowden	Michael	Broker	1996	2000
Boyd	David	Independent	1993	1995
Brown	Paul	Woolgrower	1997	2000
Campbell	Simon	Woolgrower	2001	2003
Colley	John	Broker	2011	Current
Curran AC	Charles	Independent/Chairman	1993	1996
Doolan	Tim	Broker	2008	2011
Farrar	Allan	Independent/Chairman	2001	2010
Grace	Alan	Exporter	1994	1996
Hamblin	Don	Woolgrower	2007	2012
Harnett	Ted	Broker	1998	2000
Harris	Alan	Broker	2000	2005
Keniry AM	John	Independent/Chairman	2010	Current
Laycock	Ian	Exporter	1993	1994
Litchfield	Ben	Private Treaty Merchant	2011	Current
Macdonald	Don	Broker	1994	1996
McIvor AM	Ian	Independent	1997	2006
Mercer	John	Processor	1996	1997
Michael	Michael	Broker	1997	1998
Michell	David	Processor	1999	2006
Moses	Martin	Broker	2000	Current
Nancarrow	David	Exporter	2000	2006
Nicholls	Michael	Woolgrower	2000	2001
O'Neill AO	John	Independent/Chairman	1996	2001
Pietsch	Robert	Woolgrower	2003	2007
Power	Geoff	Woolgrower	2012	Current
Schmerl	Alan	Broker	1996	1997
Sheedy	Des	Broker	1993	1994
Smith	Peter	Managing Director	1994	1997
Stooke OAM	Geoffrey	Private Treaty Merchant	1996	2005
Thirkell-Johnston AM	Roderick	Woolgrower	1996	1997
Thomas	Andrew	Processor	1993	1996
Tome	Tony	Processor	1997	1999
Turner	Craig	Broker	2005	2007
Vallance	Hugh	Exporter	1995	1997
Watt	Don	Independent	1996	2006
Watt	Don	Independent	2007	Current
Wesley	Peter	Broker	1994	1995
Wicking	Bruce	Broker	1993	1993
Wilson	Tony	Exporter	1995	1995

Achievements

AWEX Members and the wool industry can be proud of their contribution to AWEX’s achievements during its first 20 years. During this period, some difficult choices were made to move forward on issues that may be considered divisive.

Achieving an outcome on matters related to trade and trading rules between groups with opposing interests is a great accomplishment; however, consensus is not always achieved. The wool industry has always understood that to succeed it must be prepared to contribute and work together.

The list of AWEX’s achievements include:

Taking over Auction Sale Administration – rosters, estimates, selling arrangements etc.

This is a critical part of the infrastructure of the Australian wool selling system. With anywhere between 85-92% of all Australian wool traded through the auction system, open and transparent communication of trading information is critical to buyer and seller confidence. Through this, AWEX has built strong relationships with industry at a national and regional level.

Woolclasser Registration

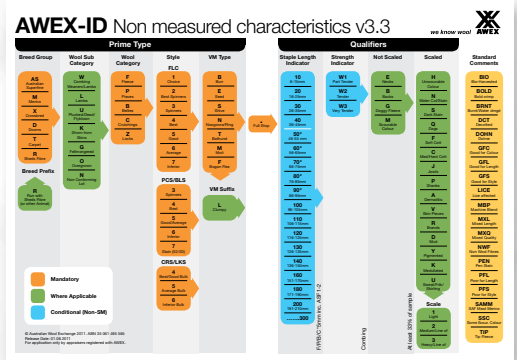
This is the foundation of Australia’s wool industry quality assurance programs. Australia is indeed fortunate to have had the wisdom and foresight to have implemented a training and registration scheme for wool professionals in 1963. This is a rich heritage for Australia and is a key reason the reputation of Australian wool is of the highest order. AWEX acquired this scheme in 1994 and has since taken it to greater heights of professionalism with the introduction of National Training Resources, Masterclasser and WoolClip. It is critical that the Australian wool industry continues to build on this platform.

Wool Clearing House – consolidation and centralisation

AWEX Wool Clearing Services provides a vital function for Exporters ensuring that their wool purchases from around Australia are aggregated to be dumped or containerised so that time critical ship allocations are met. AWEX has achieved significant efficiencies through consolidation into a national service and technology. Shipping time slots are precise and if missed can be extremely costly. This daily service provided by AWEX is an important component of meeting tight deadlines.

The Introduction of AWEX-ID

AWEX-ID was introduced to demystify the wool market. It is a descriptive language for subjective characteristics of wool that can be understood up and down the supply chain. AWEX-ID is widely used by woolgrowers helping them to understand the price signals in the wool market and assist them in their farming business decisions. The introduction of AWEX-ID was not easy, it was hard work. Now, some 20 years later AWEX-ID is understood and accepted as it forms the basis of AWEX’s market reporting system which is known and read around the world.



AWEX – 20 Years *cont...*

Market Reporting – including online services

Like all market information services, AWEX Market Reporting has benefited from the fast paced development of technology and commercial industries' thirst for information critical to their business. Live information is expected, accuracy is a must and in today's internet driven world, access must be mobile. This is an important service to the industry and as the global leader in wool market information, AWEX will continue to develop its market reporting services to meet the needs of its customers.

Sale Room Services

The open-cry auction system has had its critics for decades but it is resilient and remains the major trading platform for wool. Its key features are that it is an open and transparent trading method and it manages to aggregate wool from across the country in critical mass and on display. For these reasons, the sale room services remain an integral part of the Australian wool trade in 2013. The services will continue to be refined and the further use of technology will enhance its delivery and ensure greater efficiencies. This is a "back room" service; however, it is critical to the everyday performance of the industry and is relied on by Buyers, Sellers and Growers

NWD On-farm Inspections

AWEX introduced the National Wool Declaration (NWD) on behalf of the wool industry in 2008. In 2010, AWEX introduced the on-farm component in what is known as the NWD-IP (Integrity Program). The NWD-Integrity Program includes weekly desk-top audits and on-farm inspections completed by AWEX staff. These two factors are designed to support the declarations made by woolgrowers with respect to mulesing and provide our customers with the confidence of knowing that Australia has an independently run program that will assist them to deal with animal welfare issues. The NWD-IP, which is funded by AWEX, has been running for over 5 years with 3 years of onfarm inspections. The NWD-IP has received praise and recognition from processors and retailers alike for its independence, rigour and integrity.



Wool Pack Standards

When AWEX acquired the responsibility of maintaining the Australian wool pack standard, Australia was using HDPE wool packs extensively. During the 1990s processors and exporters raised some serious concerns about the increase in contamination due to the synthetic wool pack. After careful consideration and in consultation with industry a decision was made to change the wool pack standard to Nylon only wool packs. The change to nylon wool packs was introduced in 2000 and remains today. While it is still a contaminant, the incidence of contamination dropped significantly.

In 2013, AWEX worked to modify the wool pack standard, this time changing the design and structure of the wool pack. In consultation with industry, wool growers and State and Federal Governments, AWEX conducted extensive trials to prove the value of the new pack design. The AWEX Board subsequently approved these changes that will be introduced in early 2014. These are positive and constructive changes that will improve road safety for all road users.

AWEX-ID

An easy to use descriptive language of subjective wool characteristics – used in all AWEX market reports. AWEX provides training, workshops and accreditation for AWEX-ID Appraisers.

Over the years there have been regular reviews and version changes to include higher levels of description for superfine wool, the introduction of new sheep breeds and measurement indicators for length and mean fibre curvature. The description system is always evolving to meet the needs within the market and the input of industry is fundamental to its development.

Masterclasser

The introduction of Masterclasser is aimed at the woolclasser seeking professional development. Attendance at a Masterclasser course is by invitation only and recommendations for eligible candidates is sought. The training program includes issues such as dispute resolution training, which recognises the difficult work environment that woolclassers can find themselves in along with higher technical training in wool.

WoolClip

This software program is designed for wool growers and woolclassers who are keen to improve their professionalism and for those that have an eye for incorporating new technologies into their workplace. AWEX must look toward the future requirements of the wool industry and improving the documentation from the woolclasser is a key part of this. The central aim of WoolClip is to reduce errors in the woolclasser's specification delivered to wool brokers. In addition, it is important that woolclassers and the wool industry use technology to its advantage and this is a direct pathway to achieving this goal.

Hand held appraiser hardware/software

AWEX is a leader in using this type of technology and developing programs to ensure we receive maximum benefit from our investment. The use of hand held hardware has enabled AWEX to drive greater efficiencies and productivity.

NASC

National Auction Selling Committee. This has been a very successful committee that has enabled buyers and sellers the platform to discuss and make decisions on trading rules and issues.

ISAC

On behalf of the AWEX Board, Management and the wider wool industry, the Industry Services Advisory Committee's focus is on wool quality issues. It is the forum where all quality matters are considered before recommendations are taken to the AWEX Board, and therefore, it is fundamental to the future direction of AWEX and the Australian wool industry.

To conclude, there have been many difficult decisions made including;

- AWEX's decision to cease it's involvement with and it's delivery of EDI Network Services,
- Closing of Brisbane, Goulburn, Adelaide selling centres,
- Sourcing QA Funding.

In 20 years, AWEX has had 4 Chairman, 3 CEOs and 42 Directors. AWEX has been fortunate to have had high calibre people involved in the Board as well as management and staff.

It is the sum of all parts that will determine whether AWEX has been successful.

The first 20 years have been both challenging and enjoyable. As we look forward to 2020, we know that the challenges will never cease and that complacency is not an answer.

To our membership, I would like to say thank you on behalf of the Board and AWEX staff - we have greatly appreciated your support.

Mark Grave - CEO

AWEX

trusted effective

qualified de

integrity accu

honest **indepe**
proactive

professional

responsive

accountable **quality**

innovative

objective

informative

ctive practical

ependable

urate team work

endent ethical

focused

approachable

knowledgeable

impartial

committed

adaptable



Although AWEX is not a listed company, it adopts the best practice recommendations as drafted by the ASX Corporate Governance Council in so far as those recommendations are appropriate for a company of the size and nature of AWEX.

1. Lay solid foundations for Management and Oversight.

AWEX's Constitution sets out the role of the Board. A number of Board Committees have been established to assist the Board in carrying out its role.

2. Structure the Board to add value.

The Board is comprised primarily of sectoral members, in accordance with the Company's constitution. There are two separate appointees to the positions of Chairman and Independent Director. The CEO is not a member of the Board.

Details of Directors' term of office appear later in this report. Under the Constitution, each Director will retire at the third annual general meeting held after that Director's appointment or election and may then offer themselves for re-election.

Through the Chairman, all Board members can take appropriate professional advice at AWEX's expense.

3. Promote ethical and responsible decision-making.

A code of conduct for staff and Directors has been developed.

The Company is limited by guarantee and as such there is no trading in company securities.

4. Safeguard the integrity in Financial Reporting.

The Board has both an Audit Committee and a Compliance and Corporate Governance Committee, both of which have formal terms of reference. Details of committee members and the number of meetings attended are set out in the following pages.

The Audit committee meets at least once per year independently of management.

5. Make timely and balanced disclosures.

The company is not a listed entity and is not subject to ASX Listing Rule disclosure requirements.

AWEX does disclose significant information to Members through Members' Updates and Media Releases.

Company Principles *cont...*

6. Respect the rights of shareholders.

The company has members rather than shareholders. The company complies with all relevant legislation, as well as the Constitution and provides detailed explanatory notices to general meetings of members. AWEX's external auditors, Thomas Davis and Co attend the AGM and are available to answer members' questions.

7. Recognise and manage risk.

As noted above, the Board is responsible for identifying risks and opportunities on a timely basis and has mechanisms in place to oversee specific aspects of management's functionality. This includes the convening of the Audit and Compliance and Corporate Governance Committees, which monitor and advise the Board on management, finance, corporate governance and expenditure policies and oversee the external financial statement audit process; the Remuneration Committee, which monitors and advises the Board on issues relating to policies as well as remuneration for AWEX staff.

8. Encourage enhanced performance.

The Compliance and Corporate Governance Committee annually reviews the performance of Directors. The Chairman overviews the performance of the CEO annually and reviews for all staff, including senior management are also carried out.

9. Remunerate fairly and responsibly.

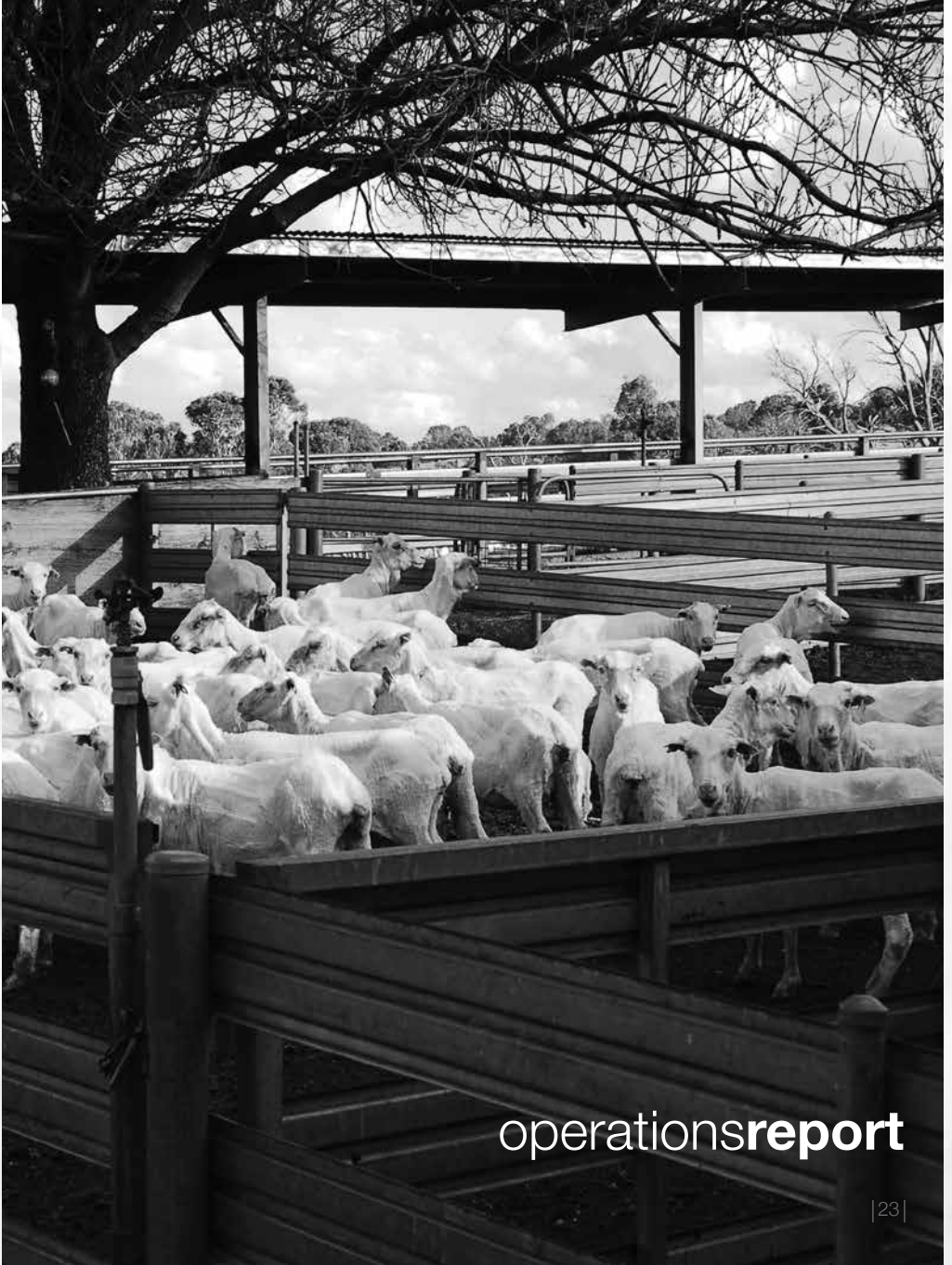
Details of Directors and Key Management Personnel are set out in note 15 to the accounts. In addition to Directors' remuneration, Directors are entitled to be reimbursed for all travel and other expenses incurred in connection with attendance at Board and Committee meetings or otherwise in connection with AWEX's business.

Details of the Remuneration Committee members and the number of meetings and attendees are set out in the Directors' report. The committee makes recommendations to the Board which determines the remuneration of the CEO and senior management. The committee also considers reviews and approves annual salaries for all staff.

10. Recognise the legitimate interests of shareholders.

AWEX is a member-based company and does not have shareholders. AWEX recognises the interests of Members in accordance with Corporations Law.

The company through the Compliance and Corporate Governance Committee has developed a code of conduct for staff and directors. The code gives all staff and directors a best practice guide to conduct.



Operations Report

Woolclassing

Woolclassers continue to be a key reason the Australian wool industry is able to maintain its reputation for wool quality excellence. Woolclassing is also a key driver behind the many services that AWEX provides.

At AWEX we recognise that for the industry to maintain the confidence of wool buyers and processors, the preparation of wool must be delivered by trained and skilled woolclassers. This is fundamental to our customers having confidence in their purchases and if they have confidence in Australian wool they will prefer to purchase Australian wool over any other competing fibre.

AWEX's role with woolclassers is many and varied.

- Develop wool preparation standards in consultation with industry
- Monitor the performance of woolclassers against the Code of Practice,
- Monitor the accuracy of preparation categories as they appear on catalogues and test certificates,
- Provide advice on a range of quality, conflict resolution and technical issues where necessary,
- Communicate with woolclassers via Boardtalk, Woolclasser Forums, Activity Statements and Clip Inspection reports,
- Promote the role, function and value of the woolclasser within Australia and to overseas processors,
- Develop national training resources,
- Work with Training Organisations to ensure that all woolclassers receive training that will enhance their work prospects in the industry.

Where ever possible services are developed with industry and always with the best interests of wool, woolgrowers and woolclassers in mind.

In 2012/13 AWEX initiatives and services included:

Facebook

AWEX also opened a Facebook page where an open invitation was given to woolclassers, woolgrowers, media and industry stakeholders to follow Phil's travel to China. This was a new initiative for AWEX and the response was overwhelmingly positive.

AWEX was able to engage with followers of the Facebook page and answer questions whilst engaged in travelling and meeting with processors was seen as constructive interaction.

Woolclasser Ambassador

For the first time AWEX appointed a Woolclasser Ambassador to represent all woolclassers and travel to China to attend the Nanjing Wool Conference, make a presentation at an industry training seminar and to meet with wool processors to not only discuss firsthand the issues that they are concerned about but also to lift the profile of woolclassers with Processors.

The 2013 Woolclasser Ambassador was Phil Kennedy, Nyngan, NSW.





Operations Report *cont...*

This was a highly successful appointment and Phil was extremely well received as we travelled to many wool processors and discussed their concerns over wool supply and quality of wool preparation.

Now returned to Australia, Phil will travel with AWEX to speak to other woolclassers at designated Woolclasser Forums so that they can hear direct from Phil what he saw, what he learned and discuss what we can do to improve our preparation of wool for processors.

Supporting Wool Training

During 2012/13 AWEX was made aware that due to falling numbers of students, the restructuring of education in Tasmania and a change of direction with the former training provider that woolclassing was not going to be offered as a course in Tasmania from 2012.

AWEX worked with industry to find a solution. A meeting of Tasmanian stakeholders including Roberts Limited, TFGA, ASWGA, Stud Merino Breeders, WoolProducers and AWEX agreed that woolclassing was an important part of the infrastructure of wool in the state and something that we all wanted to continue.

AWEX took a lead in organising meetings of the Tasmanian stakeholders and in identifying a suitable person to sponsor to become a trainer. AWEX sponsored Evelyn Archer to undertake training to become a qualified woolclasser trainer. Evelyn is a well-respected woolclasser and wool handler trainer within the industry.

AWEX also met with Polytechnic (Training Organisation) to discuss the implications of their decision and advise them of AWEXs and the industries concerns about the future of woolclassing and the wool industry in Tasmania.

After considerable discussion and support from industry, the initiatives taken by AWEX and Roberts enabled a feasible proposal to be tabled with Polytechnic. The proposal was that AWEX would sponsor a new trainer, Roberts would supply a classroom and wool samples for the students to have access during their training to reduce overheads.

In September 2013 woolclasser training again resumed in Tasmania. Woolclassing student numbers are strong and the model is working well. It is another example of the wool industry working well together to achieve positive outcomes for the industry.

National Graduate Woolclasser of the Year

2013 was the second National Graduate Woolclasser competition held at the Sydney Royal Easter Show. This year Genevieve Butler, Ballarat University, Victoria was the successful graduate.

This competition grows in stature and reputation every year and it allows the wool industry a platform to showcase the skill of woolclassing to an audience that rarely is exposed to agriculture.

Genevieve has taken this opportunity to increase her experience and use it to continue her career in wool. The 2013 Woolclasser Trainer of the Year was won by Genevieve's trainer, Sarah Moran.

AWEX will continue to offer professional development opportunities to woolclassers. Strategically, this is important for the future of the industry.

Peter Sudholz - Woolclasser Registrar



Operations Report *cont...*

Industry Services Advisory Committee

The work of the Industry Services Advisory (ISAC) is a critical to AWEX and the wool industry in supporting and underpinning the reputation of the wool industry. ISAC is the only Committee in the industry that has the skills, resources and ability to develop and implement any such industry program.

The most recent term of the ISAC ended in 2012, with all positions subsequently being declared vacant. AWEX extends its thanks to the outgoing Committee comprising: Andrew Blanch, Geoff Fiskén, Mark Hedley, Don Macdonald and Brett Woods, with contributions from other industry personnel as required. The Committee was supported by Chairman, Russell Pattinson and Secretary, Kerry Hansford.

During this last term, AWEX together with ISAC achieved much for the Australian wool industry including, but not limited to: reviews of the Woolclasser Code of Practice and the Sheep Breed Compendium for 2013-2015 as well as the introduction and annual review of the National Wool Declaration - Integrity Program. The review of the Australian Wool Pack Standard commenced in 2011.

Members of the ISAC for 2013- 2015 were appointed and are listed below.

Members of the ISAC 2013 to 2015

Name	Position	Company
Russell Pattinson	Independent Chair	
Kerry Hansford	Committee Secretary	AWEX
Andrew Blanch	Wool Buyer & Processor Representative	New England Wool
Paul Ferronato	Wool Buyer & Processor Representative	Victoria Wool Processors
Gerard Buchanan	Seller Representative	Schute Bell & WGM Wool
Andrew Lindsay	Seller Representative	Primaries of WA
Brent Finlay	Grower Representative	National Farmers Federation
Steven Harrison	Grower Representative	WoolProducers
Mark Grave	AWEX Representative	AWEX

During the first half of 2013, ISAC focused on the finalisation of the Australian Wool Pack Standard with recommendations taken to the AWEX Board in July 2013. These recommendations were the addition of a Bale Fastening Guide (BFG) and a 4 Seamed, Separate Panel base to the wool pack. The other major issues considered related to Classing House Rules and Code of Practice as well as changes to AWEX-ID for 2013/14.

In the second half of 2013, ISAC will undertake a review of the NWD. This activity is timely particularly since the last review was conducted in 2011. As usual, ISAC members in making their deliberations, will consider the submissions put forward by both national and international industry stakeholders.

AWEX is fortunate to have through its membership people who are respected by industry and have the necessary skills to contribute to the improvement of quality assurance programs in the Australian wool industry. It is this participation and ownership that drives the success of AWEX's programs and services.

National Wool Declaration – Integrity Program (NWD-IP)

Since the introduction of the National Wool Declaration 2008, with the On Farm Inspection Program commencing in 2010, AWEX has continued to successfully run the weekly desk audits and annual on-farm inspections. The AWEX Inspectors have now inspected approximately 650 properties across all states and regions of Australia. It is thought that the reduction in non-compliance for on farm inspections (18% in 2010-2012 to 12% in 2012-13) may be attributable to increased familiarity with the NWD document, including its definitions. In addition, the change in animal husbandry practices has seen some properties now only declare non-mulesed sheep because this practice changed many years ago, with older mulesed mobs often sold off resulting in all sheep in all mobs on a property being Non Mulesed (NM).

The increase in the national declaration rates has slowed and now sits at around 44-45%. Of these declarations, there has been a steady rise from 8.7% in 2008/09 to 23.2% in 2012/13 of declarations for NM, CM (Ceased Mulesing) and PR (mulesed with Pain Relief). Declarations for NM have approximately doubled in this period (44,255 to 100,249 bales), while the use of PR has quadrupled (42,705 to 214,922).

NWD - Rates of Declaration

	2009/10	2009/10	2010/11	2011/12	2012/13
% Wool Clip Declared	37.7	37.0	42.2 44.3	44.6	
Declared NM, CM, PR	8.7	11.5	16.7 20.3	23.0	
Total NM	44,255	56,218	83,677	88,929	103,421
Total CM	36,604	36,513	49,102	32,831	37,650
Total PR	42,705	75,865	131,493	173,615	223,812

NWD-IP Inspection Summary 2010-2012

	Number	Compliant	Non-compliant
Advised Mulesed Sheep in Mob (No Inspection)	49	40 (81.6%)	9 (18.4%)
On-Farm Inspections	228	204 (89.5%)	24 (10.5%)
Total	277	244 (81.1%)	33 (11.9%)
Pain Relief Authentication	100	92	8 (8%)

includes sheep traders declaring CM for bought sheep

During 2012/13 there was a revival of interest by processors and retailers in the availability of wool from NM sheep. This is likely due to increased awareness of Animal Welfare Issues by consumers, with the Corporate and Social Responsibility departments within companies investigating how to trace and verify the origin of the materials used in their products.

AWEX continues to undertake inspections on behalf of exporter customers. And as well, it makes available statistics to the local and international wool industry. Education on issues related to the NWD-IP is provided to classers, growers, brokers and buyers.

In 2013 AWEX will again undertake a review of the NWD. All reviews of the NWD are firstly, open to all stakeholders, with the main aim being to ensure that the NWD remains relevant by meeting the needs of industry and secondly, supported by a credible integrity program. It is this process that gives the wool industry confidence in the information.

Operations Report *cont...*

Bale Fastener Review

AWEX members had raised concerns regarding the quality of bale fasteners used in the Australian wool industry. The chief concerns were that a poor quality bale fastener could:

- Be a safety risk, in store, on farm, in transit,
- Increase the cost of labour as they were becoming more difficult to use in some cases,

A survey of woolclassers and other industry personnel supported these complaints. This feedback was supported during the Wool Pack Trials where; particularly for X-Bred wool, some bale fasteners bent before they could be inserted at the Bale Fastening Guide.

AWEX undertook a review of bale fasteners given that:

- The performance of bale fasteners can contribute the issue of over-length bales, and
- There is the possibility of injury through the use of poor quality bale fasteners as they move along the wool pipeline (i.e. on-farm, during transport, in a wool store, and at a processing mill).

AWEX's main goal in undertaking this review was establish base criteria to assess and compare the performance within and between brands of bale fastener with the intention of improving the consistency and quality of the bale fastener. This data comprised measurements (mean and variation) of the fasteners for strength, hardness and coating.

Note; this work did not include a review of the design of the fastener (i.e. shape, angles, sharpness etc.) as this was considered the proprietary knowledge of each manufacturer.

Contact was made with the manufacturers of the three brands of bale fasteners. All companies were supportive of a testing program to assess their product and supplied samples from batches produced in 2013. AWEX has offered endorsement to those companies whose product fulfilled specific requirements identified during the testing.

An independent industrial testing organisation was identified and contracted to test the bale fasteners for (a) Strength using Instron Load Testing, where a tensile load was applied to the ends of the fasteners until they were fully opened and the load dropped to zero, (b) Hardness using Vickers Hardness Test (AS-1817.1-2003) and (c) Galvanizing using the Coating Mass Test (AS-2331.2.1-2001).

The test results showed differences in the mean values for Load, Hardness and Coating; however, it is the variability within a brand that is considered vital as it indicates how often individual fasteners within a saleable unit (box) may not perform to expectation. The suppliers/manufacturers have been advised of the performance of their product. If a manufacturer wishes to be have their fasteners endorsed by AWEX, they will be required to address any issues that have been identified through the testing program.

To date two of the manufacturers have pro-actively reviewed their production methods and the supply source of their steel. One manufacturer has updated the bale fastener production machinery and is delivering much better results.

This is a great result. It is encouraging to know that the concerns expressed by members have enabled AWEX to challenge manufacturers to improve their product and they are taking up this challenge.



Australian Wool Pack Standard

In 2010, the wool industry in NSW was notified of the problem of over-width loads of wool bales on road transport, where the Road Rules state that a legal load is one that does not exceed 2.5 metres in width. The main cause of over-width loads of wool is when wool bales that are >1.25 m are placed end-to-end on a truck, therefore exceeding the 2.5 m maximum. The issue of over-width loads of wool bales is not new, having been raised as a problem in 1995 when wool packs were made of HDPE or Jute.

AWEX commenced its review of the wool pack standard following an industry meeting called by the NSW Roads and Traffic Authority, RTA (now Roads and Maritime Services, RMS), the NSW Government and Police held at Dubbo, NSW in February 2011. At this meeting, the wool industry was advised that:

- It was being held accountable for road transport loads of wool bales that did not comply with NSW Road Regulations (i.e. transport widths in excess of 2.5m),
- Previous exemptions that had existed for wool transport were being terminated, and
- Previous commitments to improving this issue given by the wool industry in the early 1990s were not met.

The issue is a matter of safety and is a high priority for the NSW Government. At this meeting AWEX gave a commitment to review the Wool Pack Standard through the Industry Services Advisory Committee (ISAC) and to work with the wool and transport industries, the NSW Government and NSW RMS to achieve a positive outcome.

It was hoped that a resolution might be found through a review aimed at testing new wool pack designs that did not change the dimensions of the pack (hence, negating the potential increase in logistic costs caused by 'smaller' wool packs). It was also recognised that wool growers have already made a substantial investment in their infrastructure with the cost of a wool press and any change to the standard dimensions of a wool pack would have a big impact on this.

Operations Report *cont...*

Trial Results

Using a total of 1,800 wool packs, AWEX conducted the necessary trials across a diverse range of property types, sheep breeds and environmental factors in both NSW and Victoria.

The trials were designed to investigate the incidence of over length wool bales as well as modification(s) to the Australian Wool Pack Standard and to the wool press to help produce bales with a high probability of meeting a maximum length of ≤ 1250 mm. The work was complex as many factors can affect bale length; for example: the wool pack itself, type of press (e.g. dimensions and pinning mechanism), skill of the presser, sheep breed, wool type, raw wool characteristics, environmental conditions, as well as time spent on trucks/in store.

Trial 1 verified the high incidence of over length bales with only 36% of bales measured in wool stores in NSW and VIC found to be ≤ 1250 mm.

Trials 2, 3 and 5 considered modifications to the Wool Pack Standard, namely: re-enforced banding of the pack fabric, the addition of 4 Seam Base as well as different production methods of this base (Pinch Pleat or Separate Panel), and the addition of a Bale Fastening Guide (BFG). It was demonstrated that by using a pack with a 4 Seam Base (sewn as a Separate Panel) and a BFG during pressing, that bales could be consistently produced to ≤ 1250 mm. *Note*, the effective use of the BFG requires the wool presser to fasten all flaps up to or past the BFG.

Trial 4 considered wool presses with a Short or Long Box length. Their performance was compared using a Standard Press Floor and a Raised Floor. The Short Box produced significantly shorter bales than the Long Box. However, the addition of a Raised Floor to the Long Box press helped reduce the length of the bales.

Outcomes

ISAC recommended amendments to the Australian Wool Pack Standard that were accepted by the AWEX Board in July 2013: *Note*, the dimensions of the Australian Wool Pack remain unchanged. The amendments were that a Bale Fastening Guide (BFG) is applied to each flap of the head of the wool pack, and a Four Seamed, Separate Panel is sewn into the base of each pack.

The following describes the specific changes to the Australian Wool Pack:

- The BFG is to be set 220 mm from the flap end-seam and must be sewn on all four flaps. The BFG is to be sewn using nylon thread in a lock stitch – this is the same thread used when sewing side seams or the bale label onto a wool pack. The use of the BFG is critical to the success of the packs and therefore it is available on all 4 flaps to ensure compliance if the presser does not use the bale label flap as the closing flap.
- The Four Seamed, Separate Panel Pack does not require additional/new material. It requires 2 extra manufacturing elements: an extra 2 cuts in manufacturing and additional sewing of the base. The additional seams add strength to the structure of the wool pack and square up the wool bale, which has benefits for transportation as well as stacking in warehouses.

The NSW Government and NSW RMS have been fully supportive of the work undertaken by AWEX and the support and input from all sectors of industry. The unprecedented co-operation between State Governments, State Regulators and industry culminated in the introduction of an Exemption Notice for Divisible Agricultural Commodities until April 2017. The challenge is now with industry to educate and ensure that the trust which it has earned is implemented with the proper use of the new wool pack.

Commercial Implications – Current and Future

AWEX's research provides mechanisms to reduce the occurrence of over length bales. The cost of producing wool packs was taken into account during the design phase of these trials.

Note, that wool packs that have already been manufactured to the current Standard will still flow through the wool pipeline.

The changes will be introduced as soon as practical following the conclusion of discussions and advice from DAFF and Customs Australia. These discussions are related to how any change to the Australian Wool Pack Standard might be introduced and how it is implemented into Customs Regulation 4K. It includes the timing of the change.

Once a start date is set, AWEX can commence an extension campaign to make the Australian wool industry aware of the changes and how to press a compliant wool bale. This will include recommendations based on Best Practice Wool Pressing (e.g. use of the BFG) and the ideal press box length to achieve bales that are within length (e.g. Raised Floor). An implementation program will also be developed and distributed to all wool pack manufacturers.



For Further Information

Go to the AWEX website: www.awex.com.au to download the paper: "Trials to Improve the Structural Integrity of Wool Packs for Australia", by K. Hansford, M. Grave and T. Wohlers, Wool Innovations and Technology Forum, Submission No. 5, IWTO Biella Congress, June 2013.

Dr Kerry Hansford - Quality and technical Manager

Operations Report *cont...*

WoolClip – Software for the Woolclasser and Woolgrower

2012-13 represented the official release of AWEX WoolClip. The primary objective of this software is to improve the quality of (specification sheet) documentation that is generated on farm. Improvements in document quality will mean each warehouse is able to process the wool quickly and efficiently spending less time on correcting errors or chasing missing information. Other benefits of WoolClip include the ability to generate meaningful on farm summary reports such as mob statistics, consignment notes for the carrier, wool book, and tally book totals.

The screenshot shows the WoolClip software interface. At the top, the 'WoolClip' logo is on the left, and 'WOOLCLIP AWEX 2015' is on the right. Below the logo is the 'Job Dashboard' section. A red 'Back' button is on the left, and a 'Logout' button is on the right. A 'Show / Hide Dashboard Buttons' checkbox is in the center. The 'Selected Job' dropdown menu is set to 'SALTBUSH DOWNS PAST CO, 08/04/2013, Shearing @ SALTBUSHDOWNS (Job No:1)'. Below this are two rows of navigation buttons: 'NAME Trading Name', 'Job Details', 'Mob Book', 'Wool Book', 'Specifications', 'Consignment', 'QA Check List', 'Team', 'Tally Book', 'Time Sheets', 'Results', and 'Job Statistics'. At the bottom, there are two tables: 'Tally Book Totals' and 'Wool Book Totals'.

Mob No	Counted
1	422
2	382
3	408
4	337
5	333

Category	Units
Adult Fleeces	32
PCS (Pieces)	5
BLS (Belies)	3
LMS (Lamb Fleeces)	3
LKS (Locks)	2
LPCS (Lamb Pieces / Belies)	1
BC	1

A secondary, but no less worthy objective of the software is to provide current and future woolclassers and woolgrowers with an opportunity to build or apply their professional and personal computing skills using an application that is specific to their field of expertise.

This software can be used by the Woolclasser, woolgrower or shearing contractor in the woolshed, in the shearing quarters, or the home office. Over 300 woolclassers have attended training workshops for Woolclip in the February to June 2013 period.

David Cother - Wool Services Manager

IT Development Customer Relationship Management Project

The current AWEX software system infrastructure that has evolved over the past 18 years is currently being redeveloped to streamline and condense all of the disparate systems into a single system. This will provide one central software system providing a singular view of all business interaction with AWEX's customers.

This is a significant investment for AWEX but one which will "future-proof" its services for many years to come. The last significant infrastructure program for AWEX was undertaken over 10 years ago and the computer and software developments have moved aggressively in this period. The decision for AWEX was relatively simple: invest in a system that will require modest and progressive upgrades or the current systems will become unsupported and eventually cease to work.

The project will take approximately 18 months to complete and as a part of this upgrade AWEX will develop a number of online facilities for different customer types including Woolclassers, Sellers and Woolclearing Dumps.

Registered Woolclassers will be able to interact with AWEX via a new Web Portal for the following:

- Update their details,
- Re-register,
- A list of all clip inspection reports with technical details. The Woolclasser will be given an option to reply to each clip inspection where requested,
- See both a summary and detail level of their classing activity with lot level detail accessed by drilling down by brand,
- A chart illustrating classing activity (number of Clips, Lots, Bales) by season,
- A facility for the classer to report incorrect allocations,
- Ability to report issues of concern, ask questions or request a new stencil,
- Access to BOARDtalk Newsletters,
- A public news section, and
- A public calendar with woolclassing events.

As part of the sale administration functions Sellers will use the Online Portal to provide estimates of bales and lots that they expect to offer at auctions for the next four (4) weeks, which will replace the existing manual collection of sale rostering data.

The Portal will also provide access for Wool Dumps where they will be able to enter dates required for Wool to be delivered and access existing Woolclearing delivery programs that have already been issued.

The work on the project is expected to be completed by the end of 2014 with more information to be released about the new features closer to the completion date.

Nigel Stewart - IT Manager

The Market in Review

Market Information

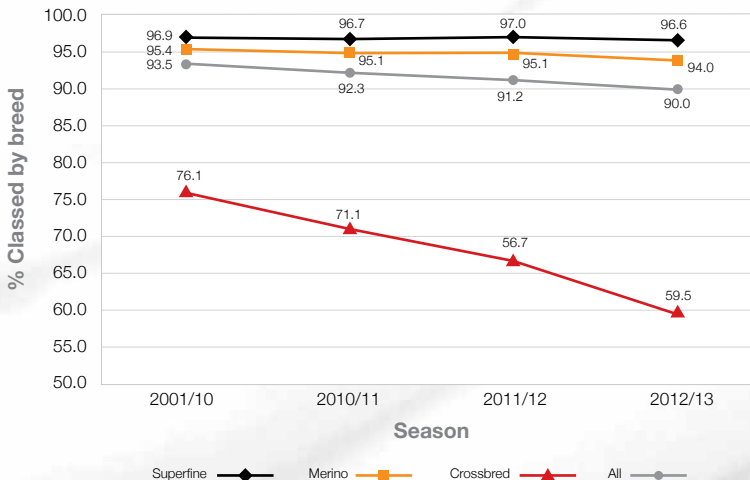
After a roller-coaster ride during the previous two seasons when the Australian wool markets benchmark indicator the AWEX-EMI made its largest ever rise (+56%) followed by its second largest fall (-23%), the movement over the 2012/13 season was a modest decline of 2.7%. This was the smallest seasonal movement in the AWEX EMI since 1986.

The Australian wool market has had a roller-coaster ride over the 2010/2011 and 2011/12 seasons. In 2012/13 the Australian wool market benchmark indicator, the AWEX-EMI, made its largest ever rise of +56%, followed by its second largest fall -23%. The final result of the AWEX-EMI over the 2012/13 season was a modest decline of 2.7% - this was the smallest seasonal movement in the AWEX EMI since 1986.

The 2012/13 wool market will be remembered for its volatility. During the autumn months of March and April the market fell sharply only to be met by a strong competition and improved prices which carried the market most of the way through to the end of the season. Of note was the decline in wool volumes available for sale. Whilst not unusual for this time of year, all regions struggled to present catalogues of volume during the latter half of the season.

At the individual micron level, the finer Merino types recorded the most disappointing results, a trend which was consistent with the previous season. This is a real challenge for the superfine industry as the current levels are not sustainable and there was virtually no price incentive for the sub 19 micron clips.

Auction offering - % classed by breed (fleece wool) by season





Over the course of the season the AWEX 17 Micron Price Guide (MPG) sold, on average, to a 19 percent premium over the 21 MPG. This was the smallest premium since the 17 MPG commenced in 1998. In other categories, the Crossbred indicators managed to finish ahead while the Merino Carding Indicator jumped 200 cents and closed the season near a record high. The contrast between the values of the carding and combing markets was compelling. The carding market had never been so strong whilst the combing market was lagging.

Looking at the longer term, the premium for superfine and fine types has deteriorated over the past 20 years. 19-micron wool has, on average, enjoyed a 32% premium over 21 microns during the past 20 years, however last season it was at a record low at 6%. One reason for the decline could be the relative increase of finer types within the overall Australian wool clip during this period. AWTA testing statistics show the 19.5-micron and finer range represented less than 10% of the clip in the 1993 season whilst last season it represented more than 40% of the total clip. The overall weight in this range has been reasonably static over the last 10 years at 140mkg, but comes against an overall 30% decline in the clip over the same period.

Lionel Plunkett - Market Information Manager

The Market in Review *cont...*

Micron Price Guide's - seasonal high/low/averages 2012-2013

Nat		High
EMI	31 Jan 2013	1,138

North		High
Ind.	31 Jan 2013	1,158
165	30 Jan 2013	1,648
17	07 Feb 2013	1,510
175	07 Feb 2013	1,457
18	30 Jan 2013	1,416
185	30 Jan 2013	1,378
19	31 Jan 2013	1,348
195	20 Feb 2013	1,310
20	20 Feb 2013	1,270
21	20 Feb 2013	1,252
22	20 Feb 2013	1,234
23	20 Feb 2013	1,213
24	05 Jul 2012	1,141
25	04 Oct 2012	900
26	18 Oct 2012	856
28	26 Jun 2013	671
30	20 Jun 2013	623
32	20 Jun 2013	506
MC	27 Jun 2013	829

South		High
Ind.	31 Jan 2013	1,123
165	05 Feb 2013	1,638
17	05 Feb 2013	1,489
175	31 Jan 2013	1,464
18	31 Jan 2013	1,423
185	31 Jan 2013	1,382
19	31 Jan 2013	1,344
195	31 Jan 2013	1,321
20	31 Jan 2013	1,276
21	20 Feb 2013	1,257
22	31 Jan 2013	1,236
23	11 July 2012	1,218
24	12 July 2012	1,132
25	05 July 2012	1,049
26	11 July 2012	939
28	27 Jun 2013	663
30	20 Jun 2013	609
32	27 Jun 2013	505
MC	20 Jun 2013	830

West		High
Ind.	13 Jan 2013	1,169
175	16 Jan 2013	1,378
18	31 Jan 2013	1,408
185	31 Jan 2013	1,376
19	31 Jan 2013	1,337
195	31 Jan 2013	1,306
20	10 Jan 2013	1,273
21	31 Jan 2013	1,243
22	31 Jan 2013	1,225
23	11 Jul 2012	1,206
28	11 Apr 2013	595
30	13 Feb 2013	558
32	13 Feb 2013	476
MC	27 Jun 2013	818

		Low
EMI	05 Sep 2012	927

		Low
Ind.	05 Sep 2012	944
165	05 Sep 2012	1,376
17	01 May 2013	1,253
175	01 May 2013	1,196
18	05 Sep 2012	1,148
185	05 Sep 2012	1,116
19	05 Sep 2012	1,084
195	30 Aug 2012	1,057
20	05 Sep 2012	1,047
21	27 Sep 2012	1,036
22	27 Sep 2012	1,015
23	03 Oct 2012	1,002
24	05 Sep 2012	946
25	23 Jan 2013	893
26	02 May 2013	753
28	16 Aug 2012	550
30	16 Aug 2012	506
32	22 Aug 2012	422
MC	22 Aug 2012	512

		Low
Ind.	05 Sep 2012	915
165	04 Sep 2012	1,311
17	04 Sep 2012	1,244
175	05 Sep 2012	1,188
18	05 Sep 2012	1,131
185	05 Sep 2012	1,111
19	04 Sep 2012	1,080
195	04 Sep 2012	1,067
20	02 Oct 2012	1,048
21	02 Oct 2012	1,035
22	02 Oct 2012	1,006
23	27 Sep 2012	998
24	03 Oct 2012	941
25	08 May 2013	849
26	18 Apr 2013	751
28	21 Aug 2012	545
30	16 Aug 2012	504
32	15 Aug 2012	423
MC	21 Aug 2012	499

		Low
Ind.	04 Sep 2012	924
175	29 May 2013	1,208
18	04 Sep 2012	1,098
185	04 Sep 2012	1,077
19	04 Sep 2012	1,070
195	04 Sep 2012	1,059
20	01 May 2013	1,052
21	27 Sep 2012	1,037
22	27 Sep 2012	1,006
23	27 Sep 2012	986
28	11 Apr 2013	595
30	13 Feb 2013	558
32	13 Feb 2013	476
MC	29 Aug 2012	539

		Ave
EMI		1,037

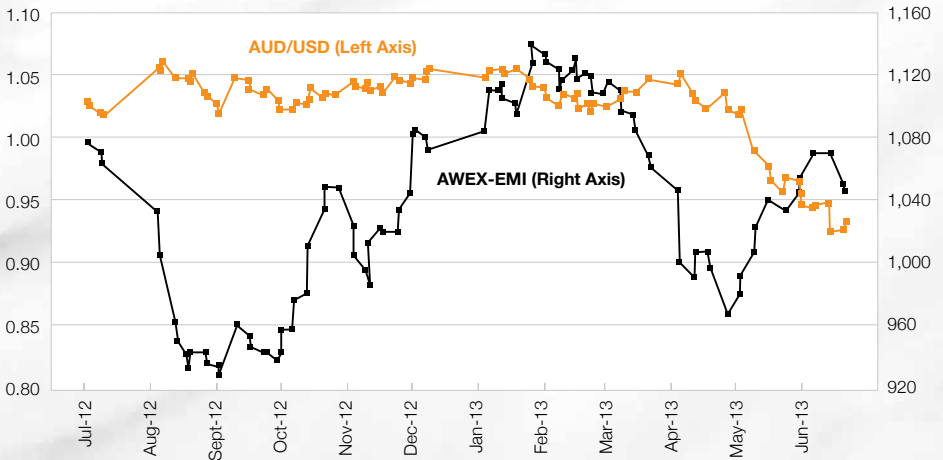
		Ave
Ind.		1,053
165		1,497
17		1,371
175		1,318
18		1,273
185		1,240
19		1,214
195		1,183
20		1,155
21		1,147
22		1,132
23		1,111
24		1,012
25		897
26		812
28		602
30		560
32		476
MC		677

		Ave
Ind.		1,022
165		1,492
17		1,366
175		1,313
18		1,269
185		1,240
19		1,217
195		1,191
20		1,160
21		1,149
22		1,130
23		1,111
24		1,021
25		905
26		817
28		599
30		559
32		476
MC		678

		Ave
Ind.		1,058
175		1,310
18		1,256
185		1,232
19		1,213
195		1,190
20		1,163
21		1,143
22		1,120
23		1,070
28		595
30		558
32		476
MC		664

Destination	Greasy Equivalent Kg	% Change	% of Total	Value AUD\$	% Change
1. China	266.7 Mkg	-7 %	75.4 %	\$ 1,862.7 m.	-4 %
2. India	21.8 Mkg	-10 %	6.2 %	\$ 154.3 m.	-22 %
3. Italy	15.7 Mkg	-6 %	4.4 %	\$ 139.3 m.	-22 %
4. Czech Republic	14.1 Mkg	-10 %	4.0 %	\$ 89.0 m.	-2 %
5. Korea, Republic Of	8.8 Mkg	7 %	2.5 %	\$ 43.4 m.	0 %
6. Malaysia	4.7 Mkg	-4 %	1.3 %	\$ 32.7 m.	0 %
7. Taiwan	4.2 Mkg	-44 %	1.2 %	\$ 29.1 m.	-53 %
8. Japan	4.1 Mkg	-8 %	1.2 %	\$ 29.4 m.	-22 %
9. Egypt	3.0 Mkg	62 %	0.8 %	\$ 26.5 m.	38 %
10. United Kingdom	1.8 Mkg	-23 %	0.5 %	\$ 10.0 m.	-38 %
11. USA	1.7 Mkg	-1 %	0.5 %	\$ 8.9 m.	-17 %
12. Germany	1.4 Mkg	-14 %	0.4 %	\$ 9.5 m.	-16 %
13. Iran	1.3 Mkg	-3 %	0.4 %	\$ 11.5 m.	-3 %
14. Thailand	0.9 Mkg	-9 %	0.3 %	\$ 7.7 m.	-25 %
15. Turkey	0.6 Mkg	-42 %	0.2 %	\$ 3.2 m.	-50 %
16. Others	2.9 Mkg	18 %	0.8 %	\$ 14.0 m.	5 %
353.6 Mkg				\$ 2,471.2 m.	

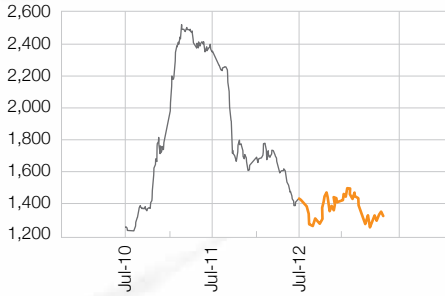
AWEX-Eastern Market Indicator 2011-2012



The Market in Review *cont...*

Micron Price Guides: 2012/13 season performance

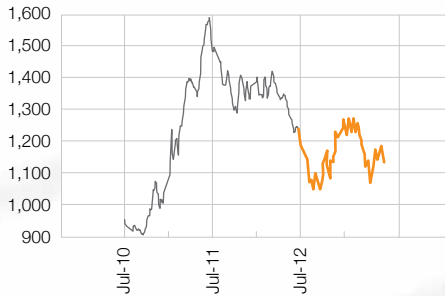
17 micron



2011/12 close	1,423
2012/13 close	1,326
	-97 (-6.8%)

	2012/13	2011/12	2010/11
Season maximum	1,510	2,400	2,525
Season average	1,368	1,755	1,915
Season minimum	1,244	1,381	1,226

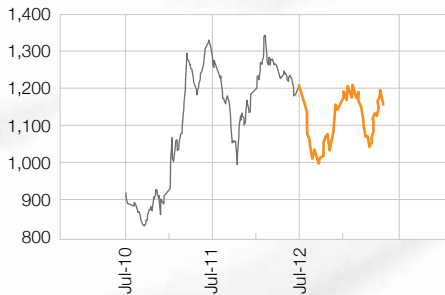
20 micron



2011/12 close	1,241
2012/13 close	1,138
	-102 (-8.3%)

	2012/13	2011/12	2010/11
Season maximum	1,276	1,498	1,590
Season average	1,158	1,353	1,165
Season minimum	1,047	1,222	899

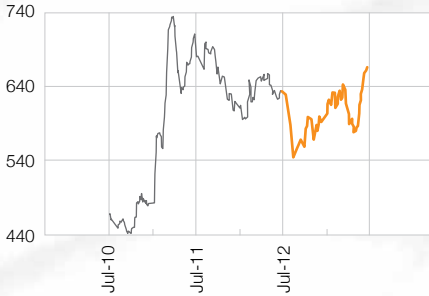
23 micron



2011/12 close	1,195
2012/13 close	1,157
	-38 (-3.2%)

	2012/13	2011/12	2010/11
Season maximum	1,218	1,347	1,339
Season average	1,111	1,199	1,040
Season minimum	998	995	826

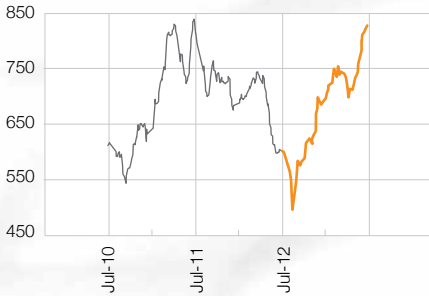
28 micron



2011/12 close	632
2012/13 close	662
	+30 (+2.5%)

	2012/13	2011/12	2010/11
Season maximum	671	703	736
Season average	601	643	560
Season minimum	545	592	442

Mer. Card. Ind.



2011/12 close	606
2012/13 close	825
	+219 (+36.3%)

	2012/13	2011/12	2010/11
Season maximum	830	835	851
Season average	677	712	690
Season minimum	499	598	546

Members

Trading Members

A S Gedge Australia Pty Ltd
ACF Wool Traders Pty Ltd
AR Rhodes & Co (Wool) Pty Ltd
Attadale Wool Company Pty Ltd
Australia Beyond Investment Pty Ltd
Australian Wool & Pastoral Agency Limited
Australian Wool Network Pty Ltd
Australis Wool Pty Ltd
Aztech Investments P/L
B N Proud & Company
Barwon & Yarra Valley Wool Brokers Pty Ltd
Beecher Wool Services
Bo Rui Pty Ltd
Bryton Wool
Cable Wool Pty Ltd
Chargeurs Wool Australia Pty Ltd
Chinatex (Australia) Wool Company Pty Ltd
Cogtrust Pty Ltd T/As Coggan Wool
Conn Wool Pty Ltd
Dalgety Wool Exports
Don Belgre Pty Ltd
Don MacDonald Woolbrokers Pty Ltd
Donghai Australia Pty Ltd
Dyson Jones Wool Marketing Services
E P Robinson Pty Ltd
Fibres (Australia) Pty Ltd
Fletcher International Exports Pty Ltd
Fox & Lillie Australia Pty Ltd
Fremantle Wool Trading Company Pty Ltd
Goldex Corporation Pty Ltd
Gordon Litchfield Wool Pty Ltd

H Dawson Sons & Co (Aust) Pty Ltd
Hodge Wool Pty Ltd
Jemalong Wool Pty Ltd
John Marshall & Company Limited
Kathaytex Trading Pty Limited
Landini Industries Pty Ltd
Lempriere (Australia) Pty Ltd
Michell Pty Ltd
Modiano Australia Pty Ltd
Montgomery Wools Pty Ltd
Morepen Pty Ltd
Moses and Son
New England Wool Pty Ltd
Ostini Wool Pty Ltd
P J Morris Wools Pty Ltd
Peter Scanlan Wools
Quality Wool Pty Ltd
Queensland Cotton Corporation Pty Ltd
Reward Australia Pty Ltd
Riverina Wool (Aust) Pty Ltd
Ruralco Holdings Limited
S & G Cotton Australia Pty Ltd
Saunders Wool Pty Ltd
Segard Masurel (Australia) Pty Ltd
Sky Wool Australia Pty Ltd
Spearwood Wool
Stockwool Pty Ltd
Sunshine Fortex (Australia) Groups Pty Ltd
Swan Wool Processors Pty Limited
Taiyuan International (Australia) Pty Ltd
Techwool Trading Pty Ltd

The New Zealand Merino Company Ltd
 Tradeswool Country Woolbuyers Pty Ltd
 Tradeswool Pty Ltd
 Victoria Wool Processors Pty Ltd
 Viterra Ltd
 Watswool Pty Ltd
 Weddin Wool Services
 West Coast Wools Pty Ltd
 Western Wool Marketing
 Williams Wool Export Pty Ltd
 Williams Wool Pty Ltd
 Wool Agency Company Pty Ltd
 Yarra Wool
 Yeoward & Company

Grower Members

Autumnvale Pastoral Company
 Bickleigh Hillburn Pty Ltd
 Bloomfield Pastoral Company
 Carnbrae (Harden) Pastoral Company
 Cavanagh Partnership
 D D & A J Long
 Dingo Range
 ER & RL Amery
 Glenbuddah Pty Ltd
 Glenelg Estate
 Gorrinn Pastoral Company
 GW & RT Bridgman
 Hamblin & Company
 IK, MJ & CLK Mclvor
 Kentucky Pty Ltd

Kildara Pastoral Company
 KM & YC Gill
 Max Zell Family Settlement Trust
 Mr Ian Aubrey
 Mr Ian Burbury
 Mr Ian McLean
 Mr Robert Pietsch
 Mr Robert Richardson Dick
 Paling Yards Trading Company
 Phil O'Brien Wool Pool
 Stonehouse Grazing
 T & J Spielvogel
 The Mutooroo Pastoral Company Pty Ltd
 Twynam Pastoral Company Pty Ltd
 W J & S Parkins
 WoolProducers
 Yarrabee Grazing Company

Associate Members

Australian Superfine Wool Growers' Association Inc
 Australian Wool Innovation Limited
 WA Department of Agriculture

Directors' Report

Your Directors submit their report for the year ended 30 June 2013. The names of the company's directors in office during the financial year and until the date of this report are as follows:

- Dr John S Keniry AM
- Donald M Watt
- Michael D Avery
- John H Colley
- Ben A Litchfield
- Martin J Moses
- Geoffrey M Power

Directors were in office for the entire period unless otherwise stated.

Principal Activities

The Australian Wool Exchange Limited is a member services organisation. Members include Australian and international wool brokers, processors, exporters, private treaty merchants, wool producers and industry associations.

The principal activities of the entity are to support the Australian Wool Industry by achieving the following short and long term objectives.

Short-term and Long-term Objectives

The Short-term and Long-term objectives for which the Australian Wool Exchange Limited was established are set out in its Constitution and are to:

- a) establish and provide an internationally competitive system for the fair, efficient and informed trading of Australian wool;
- b) encourage competition;
- c) facilitate self-regulation amongst market participants, and
- d) develop and implement innovations,

for the benefit of all wool market participants.

Strategies

The Australian Wool Exchange achieves these objectives by offering:

- Market Information,
- Appraisal,
- Clip Inspection,
- Wool Clearing and
- other services to all wool industry participants.

In addition, AWEX engages with members and industry through various committees and working groups to:

- Establish and review wool preparation standards which encourages competition in a self-regulated market;
- Develop and administer quality assurance programs;
- Administer quality management programs;
- Wool pack quality management;
- Administer the conduct of wool selling, and
- Register of woolclassers.

AWEX also carries out projects into various wool related activities with a view to increasing efficiency.

Key Performance Indicators

AWEX measures its own performance through the use of both qualitative and quantitative benchmarks. The benchmarks are used by the directors to access the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	2013		2012	
	Actual	Benchmark	Actual	Benchmark
Percentage of revenue provided by				
Quality Activities	62%	65%	65%	63%
Commercial Activities	28%	26%	25%	27%
Project Activities	0%	0%	0%	0%
Investing Activities	10%	9%	10%	10%
Percentage of expenditure spent on				
Quality Activities	67%	66%	67%	72%
Commercial Activities	27%	24%	25%	26%
Project Activities	6%	10%	8%	2%
Investing Activities	0%	0%	0%	0%
Work Health & Safety				
Number of lost time injuries	0	0	0	0

Directors' Report *cont...*

Information on Directors



Dr John S. Keniry AM Chairman, Director (non-executive)

Qualifications

- BSc (Hons 1), Physical Chemistry – University of NSW;
- PhD, Chemical Engineering – University of Cambridge;
- Fellow, Royal Australian Chemical Institute;
- Fellow, Australian Academy of Technological Sciences & Engineering;
- Fellow, Australian Institute of Company Directors;
- Woolgrower.

Experience

- Appointed Director and Chairman on 26th November 2010;
- Chairman, Burra Foods Ltd;
- Chairman, Pork Cooperative Research Centre;
- Chairman, Sheep Cooperative Research Centre;
- Chairman, Sydney Institute of Marine Science;
- Commissioner, Natural Resource Commission of NSW;
- Director, Lakelands Investments Pty Ltd.

Special Responsibilities

- Chairman;
- Chairman, Compliance and Corporate Governance Committee;
- Chairman, Remuneration Committee.



Donald M. Watt Deputy Chairman, Director (non-executive)

Qualifications

- LL.B – University of Western Australia.

Experience

- Appointed Deputy Chairman on 25th January 2007, Previous Director from 24th January 1996 to 17th November 2006;
- Director, Netherhill Pty Ltd;
- Director, Sanur Pty Ltd;
- Director, Sharus Pty Ltd.

Special Responsibilities

- Chairman, Audit Committee;
- Member, Compliance and Corporate Governance Committee;
- Member, Remuneration Committee.



Michael D. Avery Director (non-executive)

Qualifications

- BAppSc (Wool and Pastoral Sciences) University of NSW

Experience

- Appointed Director on 4th December 2009;
- General Manager, Wool, Queensland Cotton Ltd;
- Director, Australian Wool Testing Authority Ltd;
- Director, MA Consulting.

Special Responsibilities

- Member, Audit Committee;
- Member, Compliance and Corporate Governance Committee;
- Member, Membership Admission Committee.

Information on Directors



John H. Colley Director (non-executive)

Qualifications

- Registered Real Estate Agent;
- Stock and Station Agent;
- MAICD (Member Australian Institute of Company Directors).

Experience

- Appointed Director on 25th November 2011;
- Chairman, Inland Woolbrokers Association;
- Director, National Council of Woolbrokers Association;
- Director, Arlia Pty Ltd;
- Director, Australian Pastoral Investments Pty Ltd;
- Director, Australian Wool Network Pty Ltd;
- Director, AWN Property Pty Ltd;
- Director, AWN Pastoral Pty Ltd;
- Director, Colley Pty Ltd;
- Director, Jemina Pty Ltd.

Special Responsibilities

- Member, Remuneration Committee.



Ben A. Litchfield Director (non-executive)

Qualifications

- Auctioneer;
- Australian College of Professionals:
 - Real Estate;
 - Agency Operations;
 - Property Management;
 - Stock and Station Agent.

Experience

- Appointed Director on 25th November 2011;
- Alternate Director from 22nd June 2011 to 25th November 2011;
- Executive Committee, Private Treaty Wool Merchants Australia;
- Director, Royal National Capital Agricultural Society;
- Manager, Monaro Wool Services;
- Professional Woolclasser.

Special Responsibilities

- Member, Membership Admission Committee.



Martin J. Moses

Director (non-executive)

Qualifications

Woolgrower.

Experience

- Appointed Director on 1st December 2000;
- Managing Director – B A Moses and Son Pty Ltd;
- Director, Inland Woolbrokers Association;
- Director, Yennora Wool Brokers;
- Director, Bluechip Livestock;
- Director, Merinolink Ltd;
- Director, Pinefarm Pty Ltd;
- Director/Secretary, The Pinnacles (Temora) Pty Limited.

Special Responsibilities

- Member, Membership Admission Committee.

Directors' Report cont...

Information on Directors



Geoffrey M. Power Director (non-executive)

Qualifications

- Woolgrower.

Experience

- Appointed Director on 27th February 2012;
- Alternate Director from 24th November 2011 to 27th February 2012;
- Director, Australian Wool Testing Authority Ltd;
- Director, Sheep Industry Health & Welfare Pty Ltd;
- Director, WoolProducers Australia Ltd;
- Woolgrower.

Special Responsibilities

- Member, Audit Committee.

Information on Alternate Directors

Geoffrey C. Fisken

Alternate Director for G. M. Power

Qualifications

- Diploma of Business and Communications
SMB Ballarat 1980.

Experience

- Alternate Director from 1st October 2008 to 24th November 2011 and from 30th April 2012;
- Director, Woolproducers Australia Ltd;
- Director, Black Creek Farming Pty Ltd;
- Woolgrower.

Andrew Blanch

Alternate Director for M. D. Avery

Qualifications

- B.AppSc (Agriculture) Hawkesbury
Agricultural College

Experience

- Alternate Director from 3rd September 2010;
- Managing Director, New England Wool Pty Ltd;
- Managing Director, New England Wool Holdings Pty Ltd.

Donald A. Macdonald

Alternate Director for M. J. Moses

Qualifications

-

Experience

- Director from 24th October 1994 to 25th October 1996;
- Alternate Director from 25th October 1996;
- Director, Don Macdonald Wool Brokers Pty Ltd;
- Director, Marra Holdings Pty Ltd;
- Director, Yennora Wool Brokers Pty Ltd.

Gary Turner

Alternate Director for B. Litchfield

Qualifications

-

Experience

- Alternate Director 8th April 2005 to 17th November 2005, 7th October 2010 to 24th May 2011 and from 30th April 2012;
- Director, Australian Wool Testing Authority Ltd;
- Director, Reeshbro Pty Ltd.

Directors' Meetings

The following table sets out the number of meetings of the company's directors held during the year ended 30 June 2013, and the number of meetings attended by each director.

At the date of this report, the company had the following committees:

- Audit Committee;
- Compliance and Corporate Governance Committee;
- Membership Admissions Committee;
- Remuneration Committee.

Directors	Board	Committees			
	Board Meetings	Audit	Compliance & Corporate Governance	Membership	Remuneration
	A/E	A/E	A/E	A/E	A/E
J. S. Keniry AM, Chairman	6 / 6	-	1 / 1	-	2 / 2
D. M. Watt	6 / 6	1 / 1	1 / 1	-	2 / 2
M. D. Avery	6 / 6	1 / 1	1 / 1	0 / 0	-
J. H. Colley	6 / 6	-	-	-	2 / 2
B. A. Litchfield	6 / 6	-	-	0 / 0	-
M. Moses	5 / 6	-	-	0 / 0	-
G. M. Power	5 / 6	1 / 1	-	-	-

Alternate Directors	A/E
D. A. Macdonald M. Moses	0 / 1
G. C. Fiskén G. M. Power	1 / 1
A. Blanch M. D. Avery	-
G. Turner B. Litchfield	-

A = Attended. E = Eligible to Attend.

The Membership Committee did not meet during the year.

Directors' Report *cont...*

Company limited by Guarantee

The Australian Wool Exchange Ltd is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the constitution states that each member undertakes to contribute to the property of the company a maximum of \$5.00 towards meeting any outstanding obligations of the company. Whilst the Directors do not believe that any contribution will be required in the event of the company being wound up, the maximum collective liability of members at 30 June 2013 is \$555.00 (2012: \$595.00).

Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under Section 307c of the Corporations Act 2001 is attached to this Directors' Report.

Signed in accordance with a resolution of the directors.



J S Keniry AM

Chairman



D M Watt

Director

Sydney 26 August 2013

Australian Wool Exchange Limited

A.B.N. 35 061 495 565

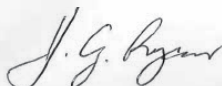
**Auditor's Independence Declaration Under Section 307C
of the Corporations Act 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



Thomas Davis & Co



J. G. Ryan

Sydney 26 August 2013

Liability limited by a scheme approved under Professional Standards Legislation





Statement of Profit or Loss and Other Comprehensive Income

as at 30 June 2013	Notes	2013	2012
		\$	\$
Revenues from ordinary activities	2	3,550,149	3,931,797
Employee benefit expenses		(1,851,690)	(1,621,874)
Depreciation and Amortisation Expenses	3	(89,674)	(83,837)
Occupancy Costs		(309,236)	(342,584)
Other expenses from ordinary activities		(1,420,756)	(1,554,029)
Profit/(Loss) for the year before income tax expense	3	(121,207)	329,473
Income tax expense	1(b)	-	-
Profit/(loss) from ordinary activities after related income tax expense	14	(121,207)	329,473
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		(121,207)	329,473
Profit/(Loss) attributable to members of the entity		(121,207)	329,473
Total comprehensive income/(loss) attributable to members of the entity		(121,207)	329,473

The above statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Statement of changes in Members' Funds



as at 30 June 2013	Notes	2013	2012
	\$	\$	\$
Balance as at 30 June 2011	640,000	4,317,427	4,957,427
Profit attributable to the entity	0	329,473	329,473
Total other comprehensive income for the year	0	0	0
Balance as at 30 June 2012	640,000	4,646,900	5,286,900
Profit attributable to the entity	0	-121,207	-121,207
Total other comprehensive income for the year	0	0	0
Balance as at 30 June 2013	640,000	4,525,693	5,165,693

The above statement of changes in Members' Funds is to be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2013

Notes

2013

2012

		\$	\$
Current Assets			
Cash and cash equivalents	4	6,731,793	2,564,600
Receivables	5	153,887	218,480
Other current assets	6	96,623	162,129
Total Current Assets		6,982,303	2,945,209
Non Current Assets			
Investments	7	500,000	3,249,578
Property, Plant & Equipment	8, 21	403,590	124,404
Total Non Current Assets		903,590	3,373,982
Total Assets		7,885,893	6,319,191
Current Liabilities			
Payables	9	184,505	289,868
Provisions	10	410,925	297,481
Other current liabilities	11	2,037,658	402,010
Total Current Liabilities		2,633,088	989,359
Non Current Liabilities			
Provisions	12	87,112	42,932
Total Non Current Liabilities		87,112	42,932
Total Liabilities		2,720,200	1,032,291
Net Assets		5,165,693	5,286,900
Members' Funds			
Members Reserves	13	640,000	640,000
Retained Surpluses	14	4,525,693	4,646,900
Total Members' Funds		5,165,693	5,286,900

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

Statement of Cash Flows



as at 30 June 2013	Notes	2013	2012
		\$	\$
Cash flows from operating activities			
Receipts from customers*		4,960,958	2,787,862
Payments to suppliers and employees		(3,529,045)	(3,397,523)
Interest Received		354,410	401,460
Net cash inflows / (outflows) from operating activities	20	1,786,323	(208,201)
Cash flows from investing activities			
Payments for property, plant & equipment		(369,236)	(64,704)
Proceeds from sale of plant and equipment		528	-
Net cash inflows / (outflows) from investing activities		(368,708)	(64,704)
Net increase (decrease) in cash held		1,417,615	(272,905)
Cash and cash equivalents at the beginning of the financial year		5,814,178	6,087,083
Cash and cash equivalents at the end of the financial year		7,231,793	5,814,178
Current			
Current	4	6,731,793	2,564,600
Non Current	7	500,000	3,249,578
Cash and cash equivalents at the end of the financial year		7,231,793	5,814,178

*Receipts from customers includes Woolclasser registration fees received for the period 1/1/2013 to 31/12/2015.

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

Notes to the Financial Statements

as at 30 June 2013

Notes

2013

2012

\$

\$

1. Summary of significant accounting policies

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. Australian Accounting Standards set out accounting policies that AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

The financial statements have been prepared in accordance with the historical cost convention, and do not take into account changes in money values or except where stated, current valuations of non-current assets. The accounting policies have been consistently applied except where stated in the Financial Statements.

The company is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office is Unit 12A, 2 Eden Park Drive, Macquarie Park NSW 2113. In accordance with the Constitution of Australian Wool Exchange Limited, the liability of the members in the event of the company being wound up would not exceed \$5 per member. As the company is limited by guarantee, there is no reference in the Statement of Financial Position to Share Capital.

The financial statements were authorised for issue by the Board on 26th August 2013.

A summary of significant accounting policies is set out below:

\$ \$

1. Summary of significant accounting policies cont...

Statement of Compliance

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). A statement of compliance with International Financial Reporting Standards cannot be made due to the Company applying the not for profit sector specific requirements contained in AIFRS.

(a) Property, Plant and Equipment

AASB1 allows for the current carrying values to be the deemed cost under AIFRS. Each class of property plant and equipment is carried at cost or deemed cost, where applicable, less any accumulated depreciation and any impairment in value. Assets are depreciated on a straight line basis to write off the net cost of each item over its expected useful life to the company. Estimates of remaining useful life are made on a regular basis for all assets, with annual reassessments for major items.

The expected useful lives are as follows:

Plant and Equipment	3-8 Years	3-8 Years
Software	3-4 Years	3-4 Years

(b) Income Tax

The company has been granted an exemption from income tax under the Income Tax Assessment Act.

(c) Recoverable Amount of Non-Current Assets

Where the carrying amount of an individual non-current asset is greater than its recoverable amount the asset is revalued to its recoverable amount.

The expected net cash flows included in determining recoverable amounts of non-current assets have not been discounted to their present values.

(d) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of invoicing. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to the collection exists.

Notes to the Financial Statements

as at 30 June 2013

Notes

2013

2012

\$

\$

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Australian Wool Exchange Limited and that it can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon delivery of the service to the customers. Triennium Wool Classer registration income is recognised based on the pattern of services rendered. Income not recognised as earned is carried forward as unearned, and shown in the Statement of Financial Position as Unearned Income under the heading Current Liabilities - Other.

The net gain/(loss) of non-current asset sales is included as revenue/(expense) at the date control passes to the buyer, usually when an unconditional contract of sale is signed. The net gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Government grants for any purpose other than for research and development, are recognised as revenue when the right to receive the grant exists, or when control over the grant is obtained. Where government grants are received or receivable in relation to research and development costs which have been deferred, the grant is deducted from the cost of research and development costs deferred. Where grants are received or receivable in relation to research and development costs which have been charged as an expense to the operating statement, those grants are credited as revenue in the operating statement.

All revenue is stated net of the amount of goods and services tax (GST).

	\$	\$
--	----	----

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be paid within one year together with benefits arising from wages and salaries, superannuation and long service leave which will be settled after one year, have been measured at the amount expected to be paid plus related on-costs.

(i) Superannuation

The company contributes to employee accumulation superannuation funds. Contributions are charged against income.

(ii) Number of employees at year end

- Permanent staff	14	13
- Casual Staff	7	7
- Total full time equivalent Staff	12.5	11.5

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on purchase of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense items as applicable.
- receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

(h) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks and bank bills.

Notes to the Financial Statements

as at 30 June 2013

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\$

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(j) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

\$

\$

**(j) New Accounting Standards for Application in Future Periods
cont...**

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the company is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 30 June 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

Tier 1: Australian Accounting Standards; and

Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements

Since the company is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date. AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and

Notes to the Financial Statements

as at 30 June 2013

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(j) New Accounting Standards for Application in Future Periods cont...

- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
 - for an offer that may be withdrawn – when the employee accepts;
 - for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets and if earlier than the first two conditions – when the related restructuring costs are recognised.

These Standards are not expected to significantly impact the company's financial statements.

as at 30 June 2013	Notes	2013	2012
		\$	\$
2. Revenue from Ordinary Activities			
<i>Operating activities</i>			
Joining Fees		-	16,100
Subscription Fees		59,040	61,210
Fees for Service		3,132,197	3,454,111
Other Revenue		3,974	(1,084)
Interest Received		354,410	401,460
<i>Non-operating activities</i>			
Other Revenue		528	-
Total revenue from Ordinary Activities		3,550,149	3,931,797
3. Profit/(Loss) from Ordinary Activities			
Profit/(Loss) from Ordinary Activities has been determined after Charging as an expense:			
Depreciation and Amortisation of non-current assets			
- Depreciation of plant and equipment		89,674	83,837
Total Depreciation and Amortisation Expenses		89,674	83,837
Operating lease rentals			
- Minimum lease payments		219,769	225,211
Total Operating Lease Rental		219,769	225,211
Transfer to/(from) provision for Holiday Pay		9,621	(5,710)
Transfer to/(from) provision for Long Service Leave		44,180	18,201
(Losses)/Gains on Disposal of Property, Plant and Equipment			
Gain/(loss) on disposal of property, plant and equipment		528	-
Loss on Disposal		(376)	-
Net gain/(loss) on disposal of property, plant and equipment		152	-
4. Current Assets - Cash and Cash Equivalents			
Cash on Hand		1,547	800
Cash at Bank		3,221,298	1,576,095
Deposits at Call		3,508,948	987,705
Cash and Cash Equivalents		6,731,793	2,564,600

Notes to the Financial Statements

as at 30 June 2013

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5. Current Assets - Receivables

	\$	\$
Trade Debtors*	38,700	29,992
less: Provision for Doubtful debts	(15,000)	(15,000)
Trade debtors after provision for doubtful debts	23,700	14,992
Accrued Revenue	130,187	203,488
Receivables	153,887	218,480

*Terms: Trade debtors are non-interest bearing and generally on 30 day terms.

6. Current Assets - Other

Prepayments	73,955	110,537
Other Debtors	22,668	51,592
Other	96,623	162,129

7. Investments - Non Current

Investments due beyond 30 June 2013	500,000	3,249,578
	500,000	3,249,578

8. Non Current Assets - Property, Plant and Equipment

Plant and equipment at cost	2,098,191	2,005,746
less: Accumulated depreciation	(1,694,601)	(1,881,342)
Property, Plant and Equipment	403,590	124,404

Refer also to note 1(h) for impairment of assets.

9. Current Liabilities - Payables

Creditors	36,894	52,226
Accrued Expenses	147,611	237,642
Payables	184,505	289,868

10. Current Liabilities - Provisions

Employee entitlements (being provision for Annual Leave, Long Service Leave due and superannuation)	338,154	296,490
Other	72,771	991
Provisions	410,925	297,481

as at 30 June 2013	Notes	2013	2012
		\$	\$
11. Current Liabilities - Other			
Unearned Income*	1(e)	2,037,658	402,010
Other		2,037,658	402,010
*Unearned income represents Woolclasser registration fees received for the period 1/1/2013 to 31/12/2015			
12. Non-current Liabilities - Provisions			
Employee entitlements (being provision for Long Service Leave)		87,112	42,932
Provisions		87,112	42,932
13. Members' Funds - Reserves			
Members' Reserves			
Balance at 1 July		640,000	640,000
Transfer from Retained Surplus		-	-
Reserves		640,000	640,000
14. Members' Funds - Retained Surplus			
Retained Surplus			
Balance at 1 July		4,646,900	4,317,427
Net profit attributable to members of the company		(121,207)	329,473
Retained Surplus		4,525,693	4,646,900
15. Remuneration of Directors and Key Management Personnel			
Income paid or otherwise made available to directors and key management by the company or related parties.			
Short-term benefits		593,633	537,516
Post-employment benefits		71,647	75,874
Other Long-term benefits		22,862	9,762
		688,142	623,152

No retirement benefits were paid to directors during the year.

Notes to the Financial Statements

as at 30 June 2013

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16. Remuneration of Auditors

Amounts received or due and receivable by Thomas Davis & Co for:

- audit of the financial report of the company	16,500	16,280
- other services	-	-

Remuneration of Auditors

16,500	16,280
---------------	---------------

17. Expenditure Commitments

Operating leases (non cancellable)

Minimum lease payments

- not later than one year	109,039	21,919
- later than one year and not later than five years	353,990	463,029
- later than five years	-	-

Expenditure Commitments

463,029	484,948
----------------	----------------

These commitments represent payments due under non-cancellable operating leases that have not been recognised as liabilities in the current financial year.

18. Related Party Disclosure

The directors of the Australian Wool Exchange Limited during the financial year were:

J S Keniry, M D Avery, J H Colley, B A Litchfield, M J Moses, G M Power and D M Watt.

Alternate directors were:

D A Macdonald, G C Fiskien, A Blanch and B Litchfield.

Director and Director-related entity Transactions

A number of the directors are directors of entities which transact with the company.

The directors involved are:

M D Avery, J H Colley, J S Keniry, B A Litchfield and M J Moses.

The Company received joining fees, subscriptions, trading fees and service fees for the use of wool selling facilities from the director-related entities during the financial year. All services were provided under the company's standard terms and conditions.

as at 30 June 2013

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\$

\$

18. Related Party Disclosure cont...

Director and Director-related entity Transactions

Aggregate amounts of these transactions are as follows:

Income

Joining, subscription and trading fees

Selling facility fees

Market Reports

Other

4,340

2,240

115,873

27,159

27,756

32,011

30,815

19,021

178,784

80,431

19. Segment Information

The company operated predominantly in one industry, being the Australian Wool Industry.

20. Reconciliation of operating profit/(loss) from ordinary activities after income tax to net cash from operating activities

Profit/(Loss) from ordinary activities

Depreciation and amortisation

Increase/(Decrease) in Other Provisions

(Profit)/Loss on disposal of plant and equipment

Decrease/(Increase) in trade and other debtors

Decrease/(Increase) in other debtors and prepayments

Decrease/(Increase) in trade creditors, accruals and unearned income

Decrease/(Increase) in other provisions

Net cash Inflows/(Outflows) from operating activities

(121,207)

329,473

89,674

83,837

157,624

13,565

(152)

-

64,593

165,562

65,506

(39,935)

1,530,285

(760,703)

1,786,323

(208,201)

21. Property, Plant and Equipment - Reconciliation

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

Plant and Equipment

Carrying amount at beginning of the period

Additions

Disposals (net)

Depreciation Expense

Carrying amount at end of the period

124,404

143,537

369,236

64,704

(376)

-

(89,674)

(83,837)

403,590

124,404

Notes to the Financial Statements

as at 30 June 2013

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\$

\$

22. Financial Instruments

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities is as follows:

Financial Assets

Cash, cash equivalents and investments - Current	4	6,731,793	2,564,600
Cash, cash equivalents and investments - Non Current	7	500,000	3,249,578
Total Cash, cash equivalents and investments		7,231,793	5,814,178
Weighted Average Effective Interest Rate		5.18%	6.57%
Trade Debtors & Other Receivables	5	153,887	218,480
Weighted Average Effective Interest Rate		N/A	N/A
Other Assets	6	96,623	162,129
Weighted Average Effective Interest Rate		N/A	N/A
Total Financial Assets		7,482,303	6,194,787

Financial Liabilities

Trade Creditors and other payables	9	184,505	289,868
Weighted Average Effective Interest Rate		N/A	N/A
Total Financial Liabilities		184,505	289,868

(b) Net Fair Value

All financial assets and liabilities have been recognised at the balance date at their net fair values as their carrying amount approximates fair value.

(c) Credit Risk Exposure

The company's maximum exposure to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets in the statement of financial position, net of provision for doubtful debts.

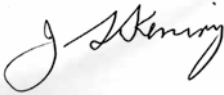
as at 30 June 2013	Notes	2013	2012
		\$	\$
23. Contingent Liabilities			
The company has provided a bank guarantee in respect of:			
Payroll Facilities		50,000	50,000
Lease obligations		67,737	67,737
		117,737	117,737
Financing arrangements			
Bank Guarantees		117,737	117,737
Used at balance date		-	-
Unused at balance date		117,737	117,737
A claim has been lodged against AWEX by an employee claiming Special Sick Leave and alleging unfair dismissal. The alleged unfair dismissal claim has been disputed by AWEX.			
The Directors estimate of AWEX's liability for the Special Sick Leave is.		20,000	-

Directors' Declaration

The Directors' of the company declare that:

1. The financial statements set out on pages 54 to 71:
 - (a) Comply with Accounting Standards and the Corporations Act 2001; and
 - (b) Give a true and fair view of the Company's financial position as at 30 June 2013 and performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors.



J S Keniry AM

Chairman



D M Watt

Director

Sydney 26 August 2013

Independent Auditor's Report to the Members of Australian Wool Exchange Limited

We have audited the accompanying financial report of the Australian Wool Exchange Limited, which comprises the statement of financial position as at 30 June 2013, and the statement of profit and loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

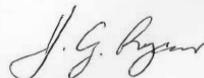
Opinion

In our opinion, the financial report of the Australian Wool Exchange Limited is in accordance with the Corporations Act 2001, including:

- (1) Giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (2) Complying with Australian Accounting Standards and the Corporations Regulations 2001.



Thomas Davis & Co



J G Ryan, Partner
Chartered Accountants

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