

5.1 Consolidated Financial Statements

5.1.1 Consolidated Income Statement for the year ended 30 June 2020

	Notes	2020 US\$M	2019 US\$M	2018 US\$M
Continuing operations				
Revenue	2	42,931	44,288	43,129
Other income	5	777	393	247
Expenses excluding net finance costs	5	(28,775)	(28,022)	(27,527)
(Loss)/profit from equity accounted investments, related impairments and expenses	30	(512)	(546)	147
Profit from operations		14,421	16,113	15,996
Financial expenses		(1,262)	(1,510)	(1,567)
Financial income		351	446	322
Net finance costs	21	(911)	(1,064)	(1,245)
Profit before taxation		13,510	15,049	14,751
Income tax expense		(4,708)	(5,335)	(6,879)
Royalty-related taxation (net of income tax benefit)		(66)	(194)	(128)
Total taxation expense	6	(4,774)	(5,529)	(7,007)
Profit after taxation from Continuing operations		8,736	9,520	7,744
Discontinued operations				
Loss after taxation from Discontinued operations	28	–	(335)	(2,921)
Profit after taxation from Continuing and Discontinued operations		8,736	9,185	4,823
Attributable to non-controlling interests		780	879	1,118
Attributable to BHP shareholders		7,956	8,306	3,705
Basic earnings per ordinary share (cents)	7	157.3	160.3	69.6
Diluted earnings per ordinary share (cents)	7	157.0	159.9	69.4
Basic earnings from Continuing operations per ordinary share (cents)	7	157.3	166.9	125.0
Diluted earnings from Continuing operations per ordinary share (cents)	7	157.0	166.5	124.6

The accompanying notes form part of these Financial Statements.

5.1.2 Consolidated Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 US\$M	2019 US\$M	2018 US\$M
Profit after taxation from Continuing and Discontinued operations		8,736	9,185	4,823
Other comprehensive income				
<u>Items that may be reclassified subsequently to the income statement:</u>				
Net valuation gains on investments taken to equity		–	–	11
Hedges:				
(Losses)/gains taken to equity		(315)	(327)	82
Losses/(gains) transferred to the income statement		297	299	(215)
Exchange fluctuations on translation of foreign operations taken to equity		1	1	2
Exchange fluctuations on translation of foreign operations transferred to income statement		–	(6)	–
Tax recognised within other comprehensive income	6	5	8	36
Total items that may be reclassified subsequently to the income statement		(12)	(25)	(84)
<u>Items that will not be reclassified to the income statement:</u>				
Re-measurement (losses)/gains on pension and medical schemes		(81)	(20)	1
Equity investments held at fair value		(2)	1	–
Tax recognised within other comprehensive income	6	26	19	(14)
Total items that will not be reclassified to the income statement		(57)	–	(13)
Total other comprehensive loss		(69)	(25)	(97)
Total comprehensive income		8,667	9,160	4,726
Attributable to non-controlling interests		769	878	1,118
Attributable to BHP shareholders		7,898	8,282	3,608

The accompanying notes form part of these Financial Statements.

5.1.3 Consolidated Balance Sheet as at 30 June 2020

	Notes	2020 US\$M	2019 US\$M
ASSETS			
Current assets			
Cash and cash equivalents	19	13,426	15,613
Trade and other receivables	8	3,364	3,462
Other financial assets	22	84	87
Inventories	10	4,101	3,840
Current tax assets		366	124
Other		130	247
Total current assets		21,471	23,373
Non-current assets			
Trade and other receivables	8	267	313
Other financial assets	22	2,522	1,303
Inventories	10	1,221	768
Property, plant and equipment	11	72,362	68,041
Intangible assets	12	624	675
Investments accounted for using the equity method	30	2,585	2,569
Deferred tax assets	13	3,688	3,764
Other		43	55
Total non-current assets		83,312	77,488
Total assets		104,783	100,861
LIABILITIES			
Current liabilities			
Trade and other payables	9	5,767	6,717
Interest bearing liabilities	19	5,012	1,661
Other financial liabilities	22	225	127
Current tax payable		913	1,546
Provisions	4, 14, 18, 25	2,810	2,175
Deferred income		97	113
Total current liabilities		14,824	12,339
Non-current liabilities			
Trade and other payables	9	1	5
Interest bearing liabilities	19	22,036	23,167
Other financial liabilities	22	1,414	896
Non-current tax payable		109	187
Deferred tax liabilities	13	2,758	3,234
Provisions	4, 14, 18, 25	11,185	8,928
Deferred income		210	281
Total non-current liabilities		37,713	36,698
Total liabilities		52,537	49,037
Net assets		52,246	51,824
EQUITY			
Share capital – BHP Group Limited		1,111	1,111
Share capital – BHP Group Plc		1,057	1,057
Treasury shares		(5)	(32)
Reserves	16	2,306	2,285
Retained earnings		43,467	42,819
Total equity attributable to BHP shareholders		47,936	47,240
Non-controlling interests	16	4,310	4,584
Total equity		52,246	51,824

The accompanying notes form part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 3 September 2020 and signed on its behalf by:

Ken MacKenzie
Chair

Mike Henry
Chief Executive Officer

5.1.4 Consolidated Cash Flow Statement for the year ended 30 June 2020

	Notes	2020 US\$M	2019 US\$M	2018 US\$M
Operating activities				
Profit before taxation		13,510	15,049	14,751
Adjustments for:				
Depreciation and amortisation expense		6,112	5,829	6,288
Impairments of property, plant and equipment, financial assets and intangibles		494	264	333
Net finance costs		911	1,064	1,245
Loss/(profit) from equity accounted investments, related impairments and expenses		512	546	(147)
Other		720	308	597
Changes in assets and liabilities:				
Trade and other receivables		291	(211)	(662)
Inventories		(715)	298	(182)
Trade and other payables		(755)	406	719
Provisions and other assets and liabilities		1,188	(125)	7
Cash generated from operations		22,268	23,428	22,949
Dividends received		137	516	709
Interest received		385	443	290
Interest paid		(1,225)	(1,346)	(1,177)
Proceeds/(settlements) of cash management related instruments		85	296	(292)
Net income tax and royalty-related taxation refunded		48	59	17
Net income tax and royalty-related taxation paid		(5,992)	(5,999)	(4,935)
Net operating cash flows from Continuing operations		15,706	17,397	17,561
Net operating cash flows from Discontinued operations	28	–	474	900
Net operating cash flows		15,706	17,871	18,461
Investing activities				
Purchases of property, plant and equipment		(6,900)	(6,250)	(4,979)
Exploration expenditure		(740)	(873)	(874)
Exploration expenditure expensed and included in operating cash flows		517	516	641
Net investment and funding of equity accounted investments		(618)	(630)	204
Proceeds from sale of assets		265	145	89
Other investing		(140)	(285)	(141)
Net investing cash flows from Continuing operations		(7,616)	(7,377)	(5,060)
Net investing cash flows from Discontinued operations	28	–	(443)	(861)
Proceeds from divestment of Onshore US, net of its cash	28	–	10,427	–
Net investing cash flows		(7,616)	2,607	(5,921)
Financing activities				
Proceeds from interest bearing liabilities		514	250	528
(Settlements)/proceeds of debt related instruments		(157)	(160)	(218)
Repayment of interest bearing liabilities		(2,047)	(2,604)	(4,188)
Purchase of shares by Employee Share Ownership Plan (ESOP) Trusts		(143)	(188)	(171)
Share buy-back – BHP Group Limited		–	(5,220)	–
Dividends paid		(6,876)	(11,395)	(5,220)
Dividends paid to non-controlling interests		(1,043)	(1,198)	(1,582)
Net financing cash flows from Continuing operations		(9,752)	(20,515)	(10,851)
Net financing cash flows from Discontinued operations	28	–	(13)	(40)
Net financing cash flows		(9,752)	(20,528)	(10,891)
Net (decrease)/increase in cash and cash equivalents from Continuing operations		(1,662)	(10,495)	1,650
Net increase/(decrease) in cash and cash equivalents from Discontinued operations		–	18	(1)
Proceeds from divestment of Onshore US, net of its cash		–	10,427	–
Cash and cash equivalents, net of overdrafts, at the beginning of the financial year		15,593	15,813	14,108
Foreign currency exchange rate changes on cash and cash equivalents		(505)	(170)	56
Cash and cash equivalents, net of overdrafts, at the end of the financial year	19	13,426	15,593	15,813

The accompanying notes form part of these Financial Statements.