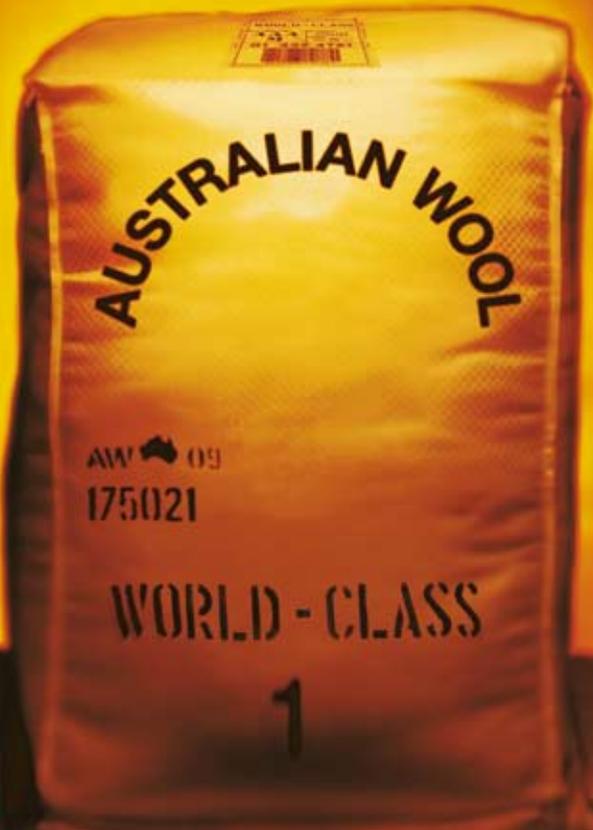




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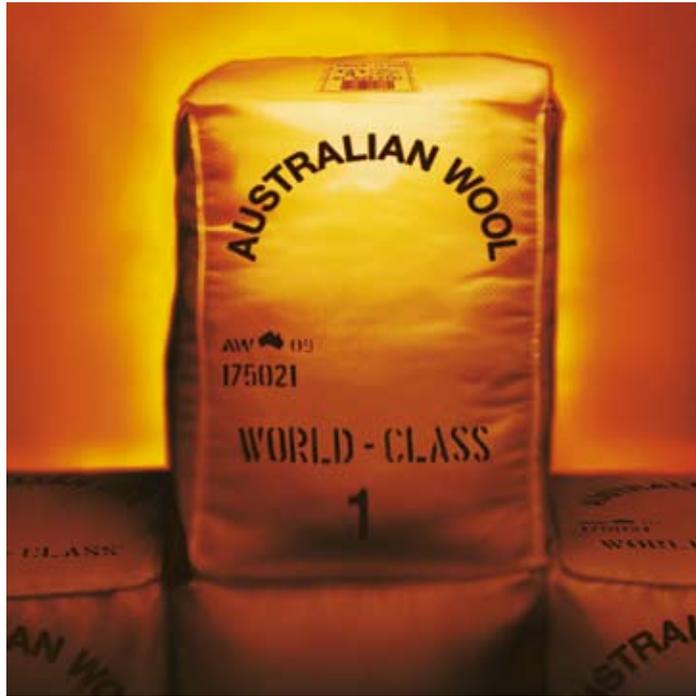


The world's best practice  
just got better

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Australian Wool  
Exchange Limited

ABN 35 061 495 565



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## Chairman's message



When reporting to Members last year, I said that it was 'possible to detect a resurgence of optimism and confidence' in the industry. However, while we have seen improved wool prices during the year, the difficult and challenging conditions have continued, for you and for AWEX. AWEX has endeavoured to respond to the challenges by adapting to change and looking strategically ahead.

The concern of all in the industry regarding the expected reduction in wool production is now a reality with the latest wool production forecasts for 2007-08 estimating production to be 8% lower than in 2006-07. Wool growers in most areas are experiencing a return to drought conditions. The changing profile of the Australian wool clip is another major concern for the wool industry. As sheep meat production gains a greater foothold, the introduction of new sheep breeds, for their meat value, threatens the integrity of the traditional Australian Merino flock.

In September 2006 AWEX travelled to China for the first time to meet with processors and to attend the Nanjing Wool Conference in Zhangjiagang. I was privileged to address the conference as Chairman of AWEX and our CEO made a presentation on AWEX's role in the industry. I was able to witness at first hand the significance to the Chinese processors of the work which AWEX does and the importance of the ongoing role for AWEX and the standards and information we produce. AWEX's aim is to provide a better understanding of Australian wool and the Australian wool industry so that better choices can be made and to ensure Australia remains the country of choice for wool processors globally.

The open letter to Australian woolgrowers from the Chinese wool industry in January 2007 was a first clear indication from Australia's largest processing customer of their willingness to communicate with Australia about wool quality issues of concern to

them. Understandably, the industry and AWEX have taken the issues, which have been raised, seriously and have developed open pathways of communication which will be ongoing.

In support of these objectives AWEX has been very active, in consultation with all sectors of the industry, in developing better quality assurance systems and protocols through the introduction of the 2007-09 Woolclasser's Code of Practice for the Preparation of Australian wool. This latest edition of the Australian standard for wool preparation lays greater emphasis on accurate and meaningful descriptions which translate through the wool pipe line.

IWTO 2007, in Edinburgh, was also an important milestone for the wool industry. The 2007 Congress approved new definitions of test certificate suffixes by including the Country of Origin's standard of preparation as part of the definition. The Australian industry is currently debating the detail of these definitions but it is your Board's strongly held belief that the Australian standard must be the AWEX Code of Practice and this will support best practice in preparation and further identify Australian wool as the wool of choice.

The 2006-07 year has been challenging for AWEX. The financial performance of AWEX has been sound, with diligent cost control. The financial result for the year was a surplus of \$54,308. At 30 June 2007, Members' funds were \$4,867,587. The key factors

Chairman's  
message contd

which assisted in the financial performance of AWEX were better than budgeted auction offerings in the second half of 2006-07 and higher woolclasser re-registration numbers.

The withdrawal from AWEX selling broker membership of the major firm, Elders Limited, in 2005 presented AWEX with a problem in seeking to equitably fund activities of general industry benefit where there is no directly applicable income stream. This is an ongoing challenge for industry organisations world wide and one matter of which your Directors' are acutely aware.

In this context AWEX decided to remove the Common Service fee in favour of an increase of 10 cents in the woolpack label fee. This was done after consultation with Woolgrowers through the various state and national woolgrower representative bodies and received general support as it was deemed as sensible and equitable. Subsequently, the fee structure and processes of the AWEX woolpack quality management program have been questioned and we are working to address this issue.

In early July 2007 Landmark Operations Limited also resigned as a broker member. This presents an unsatisfactory situation for the industry as it is important that all industry participants should support the organisation whose objectives are to

impartially develop and maintain industry standards and to provide independent market information. AWEX will continue to work to achieve membership participation of all industry participants.

It was also a great disappointment that another founding Member of AWEX, Itochu Wool Limited, announced the closure of their wool purchasing company in the current financial year. Itochu Wool Limited is a well respected company and has been very strong supporters of the work of AWEX.

2007-08 will again hold more challenges for the wool industry and AWEX. The Board and Management are determined to work through these complex challenges to provide a better outcome for the wool industry.

AWEX's core objectives are about our commitment to developing and maintaining standards and providing the best independent information for the wool industry.

On behalf of the Board I thank AWEX staff and management for their commitment, their efforts and achievements under testing circumstances. We applaud their determination to continue to enhance AWEX's performance and standing in the industry. I also wish to thank your Directors for their hard work, their commitment to the future of AWEX and their unstinting support during the year.



Allan Farrar  
Chairman

September 2007



“The world’s best practice just got better” exemplifies the work of AWEX in 2006-07. The core services of AWEX are designed to support and deliver the world’s best practices in wool, whether it is in the development of improved standards of wool preparation, insightful and independent market information or in the administrative services provided by AWEX to industry.

AWEX is a modest company in terms of its achievements and yet the impact of our standards and the compliance programs designed to support those standards has far reaching effects. The important aspect in this is that AWEX develops standards and compliance programs by consulting with our members and with the wider industry.

Our company focus is at the greasy end of the market, from preparation to processing. It is our strong belief that with better preparation and better information, the excellent reputation of Australian wool will only improve and continue to be the envy of other wool producing countries. Improving the reputation of Australian wool will benefit woolgrowers and give buyers greater confidence in Australian wool when making their wool purchases. Ultimately, the better informed a market is the likely that market will perform at its optimum.

During 2006-07 there were a number of key and significant industry events for AWEX. In September of 2006 AWEX applied for and received Australian China Agricultural Cooperation Agreement (ACACA) Government funding to travel to China. The aim of this trip was to meet first hand with wool processors to discuss quality issues with respect to Australian wool. The opportunity was also taken for AWEX to attend and present a wool workshop at the annual Nanjing Wool Market conference held in Zhangjiagang.

During this trip we quickly recognised the need for better education and understanding of the Australian wool industry in China. If Buyers and

Processors have a greater understanding of the Australian wool industry, of how wool is grown and prepared, then this will assist them to make better purchasing decisions.

In December 2006 Australian woolgrowers received an open letter from the Chinese wool industry. This was significant for a number of reasons. Firstly, China is Australia’s largest processing customer receiving in excess of 70% of all Australian greasy wool exports. Secondly, the letter detailed concerns regarding wool quality which they have experienced and would like to be addressed. Thirdly, the Chinese wool industry was communicating with Australia with a united voice. The combination of these points highlighted the significance of this open communication.

The letter from the Chinese Wool Industry contained concise questions regarding wool preparation, contamination and wool quality. These issues were also raised with AWEX in our visit in September 2006.

An initiative from the Australian wool industry in response to the letter from the Chinese wool industry was to form, through FAWO, the Australian China Working Group. The Australian Working Group consisted of members from the major organisations of the Australian wool industry: AWEX, AWTA, NCWSBA, AWI, ACWEP and Wool Producers. The Australian working group, together with representatives from the Chinese wool industry, met in China in March and again in Australia in June. The objectives were clear, to create a better working

relationship and communication path between the two countries.

An initiative from this working group was to develop a series of education and training workshops to increase the Chinese awareness of the Australian industry. The Australian working group completed a training workshop for Chinese wool processors and their staff held in Zhangjiagang on the 15th and 16th September 2007. Over 160 people representing 58 wool processing companies attended the two day workshop which provided an overview of the various roles and responsibilities of organisations within the wool industry, the latest information about the preparation and testing of wool as well as an understanding of how wool is grown. The workshop was a great success with many new and operational staff attending. It is envisaged that future workshops will be scheduled in 2008.

Also during 2006-07 AWEX delivered the new 2007-09 Code of Practice for the Preparation of Australian wool. The review of the 'Code' took over 15 months to complete with wide ranging and rigorous debate amongst all sectors of the wool industry regarding the new programs to be implemented. A cornerstone of the new "Code" was the introduction of a more descriptive and meaningful Bale Description System. The new system has a mandatory requirement of describing sheep breed as part of the bale description.

A motivating factor behind this new bale description system was the clear and apparent change to the sheep breed and wool profile of the Australian wool clip. This matter had been raised with AWEX by wool buyers, exporters and processors over recent years and they fully support the greater transparency of Australian wool and origins of its breed.

The final release of the new Code was delivered in April 2007, slightly behind schedule, as AWEX wanted to ensure that the proper process and protocols were completed before its release. Rigorous discussion is an important element to ensure industry acceptance of the Code. The end result is a comprehensive,

easy to read document which is relevant for wool producers, woolclassers and contractors alike.

The AWEX Board and Management would like to thank all who have participated in the development of the 2007-09 Code and we look forward to its progressive development and implementation.

AWEX is looking ahead to developing new programs to advance the skills and recognition of woolclassers and wool preparation. Skilled practitioners of wool preparation are an important factor in the success of the Australian wool industry. Wool processors also recognise this and know that a well prepared clip reduces costs in processing and allows for a better end product.

To achieve a quality finished product you must have a well specified raw product prepared by skilled people, packaged and described accurately and transparently to provide buyers with confidence in their purchase.

In 2006-07 AWEX commenced the inaugural Graduate Woolclasser of the Year Competitions. The State based competitions are designed to bring together the best graduate woolclassers from each State to compete in a tightly run competition displaying their skills. The inaugural competition was held at the NSW Royal Easter Show in conjunction with NSW Tafe. In July the VIC/TAS competition was conducted at the Bendigo Sheep and Wool Show. The success of these competitions raises the profile of woolclassers and the skills required to be judged the best.

Operationally, AWEX continues to actively implement its compliance programs particularly on the showfloor with wool preparation. The AWEX programs have been developed with the industry and these programs will become increasingly important since the changes to the definitions of IWTO Test Certificates. AWEX is confident that the changes approved at the IWTO May Congress will go a long way to supporting the AWEX standards for wool preparation.

AWEX's financial year end performance was a surplus

of \$54,308. This end of year result is better than budget and we believe is in line with the expectations of our Members. Our aim is to deliver services to members and industry in the most cost effective and efficient means possible. The budget for 2007-08 will be very tight again as the wool industry gears itself for a difficult year in terms of production and season. The 2007-08 budget reflects the difficult conditions within the wool industry but the AWEX Board is confident that this is prudent given the dry seasons and the decline in production in recent years.

As an indication of how AWEX is ensuring the elimination of industry duplication in 2007-08 and in response to issues raised by Members, AWEX has ceased sampling site registration as at the end of June 2007. This service is also provided by AWTA and after discussion with AWTA, AWEX has agreed to cease this service. AWEX is confident that this is in the best interests of members but will maintain an administrative registration of sampling sites for the purpose of futures delivery and to this end AWEX and AWTA will work closely together.

In July 2007 AWEX received the resignation of Landmark Operations Limited. This was disappointing and the end impact on AWEX of this decision is still unclear at this time. It is our held view that we will continue to work closely with all of industry with a view of gaining total industry support for AWEX services and programs.

It is with disappointment that the wool industry was advised that Itochu Wool Limited will cease operating as a wool buyer in the current financial year. Itochu has had a long and esteemed relationship with the Australian wool industry over the past 50 years, not only as an AWEX foundation member but also as a respected wool buyer and exporting company.

AWEX continues to review its structure and the manner in which services are provided. AWEX Information Services utilize software programs which are second to none and this investment has helped keep our staff productivity high. The investment in

our woolclassers and wool quality will continue as it is fundamental to the strength and reputation of the wool industry.

AWEX currently employs 16 full time staff. This is nearly half the number of staff of 10 years ago with the same or greater level of service delivery.

Increasingly, our staff resources will be at the operational level rather than in management and administration and this is a deliberate strategy to ensure our focus is on the needs of Members and the provision of services to the wool industry.

In reviewing the 2006-07 year, I cannot commend highly enough the integrity, diligence and passion of AWEX staff. AWEX and the wool industry have had to endure some of the most difficult years in our history and AWEX staff have performed their tasks with great professionalism.

AWEX is only as good as its staff so I must thank AWEX administration and operational staff and also my senior managers who have demonstrated great ability and service to AWEX, AWEX Members and the Australian wool industry.



Mark Grave  
Chief Executive Officer

September 2007

Although AWEX is not a listed company, it adopts the best practice recommendations as drafted by the ASX Corporate Governance Council.

## ▶ principle 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.

## ▶ principle 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 CEO. The CEO is not a member of the Board.

Details of Directors' term of office appear previously 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.

## ▶ principle 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.

## ▶ principle 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.

## ▶ principle 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.

## ▶ principle 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.

## ▶ principle 7

### **Recognise and manage risk.**

The Board is responsible for identifying risks and opportunities on a timely basis and has mechanisms in place to oversight specific aspects of managements functionality. This includes the convening of the Audit Committee and the Compliance and Corporate Governance Committee, which monitors and advises the Board on management finance, corporate governance and expenditure policies and oversees 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.

## ▶ principle 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. Reviews for all staff, including senior management are also carried out annually.

## ▶ principle 9

### **Remunerate fairly and responsibly.**

Details of Directors remuneration are detailed in the notes 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 elsewhere in this report. The committee determines the remuneration of the CEO and senior management. The committee also considers and reviews annual salaries for all staff.

## ▶ principle 10

### **Recognise the legitimate interests of shareholders.**

AWEX is a member-based company and does not have shareholders.

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.

### Woolclassing

The Australian Woolclasser's stencil is a recognised and respected icon in the global wool industry. The stencil itself simply represents quality to many wool processors and it is a clear statement that the wool contained in a bale or lot has not only been prepared by a trained and skilled woolclasser but has been prepared according to the Australian standard, The AWEX Woolclassers' Code of Practice (COP).

Woolclassing is the first stage of wool processing. A mistake at this level can create problems for downstream processors.

The objectives of woolclassing are to:

- ▶ Prepare uniform, predictable, low risk lines of wool,
- ▶ Present a product correctly packaged and free of contamination,
- ▶ Accurately document and describe each bale of wool.



### Woolclasser Re-registration 2007-09

AWEX Woolclassers register for a three year period and on the anniversary of that triennium all woolclassers are invited to re-register for the next triennium. This is an important task for a number of reasons:

- ▶ The commencement of re-registration signals the completion of the review and publication of the Woolclassers' Code of Practice.

- ▶ Over the years re-registration has been a litmus test not only of the available woolclassing resources but also of the main issues facing the wool industry at farm level.
- ▶ It provides an accurate data base of the pending movements in the wool industry since the last re-registration period.

	Australian Woolclasser	Classer Associate	Owner Classer	Total
95-97	14,587	3,347	23,658	41,592
98-00	14,359	3,522	21,430	39,311
01-03	12,096	3,758	12,894	28,748
04-06	11,467	2,348	11,252	25,067
07-09	10,604	1,670	9,916	22,190

Woolclasser re-registration in itself is a major logistic administrative exercise as AWEX must ensure that all currently registered woolclassers have the opportunity to re-register. AWEX has in excess of 22,000 woolclassers registered for the 2007-09 triennium and maintaining this database is an important function.

However, long before the invitations to re-register are sent to woolclassers the review of the Code of Practice is initiated through the AWEX Industry Services Advisory Committee or ISAC as it is known. This review commenced in November 2005.

ISAC comprises of a range of experienced representatives from the wool industry who provide expert advice and recommendations to the AWEX Board and Management. ISAC is expanded for this review and includes representatives including Educational Trainers, Processors, Exporters, Brokers, Growers, Woolclassers, Woolclassers' Association and Wool Industry Organisations. ISAC reviews recommendations which have come forward from smaller workshops and various sectors of the industry as well as private submissions from State and National Farmer Organisations, Breed Associations and individuals.

The structure of the consultation workshops and meetings is complex but designed to provide

transparency and ownership in the development of the Australian Wool Preparation Standard: The Woolclassers' Code of Practice (COP).

Discussion has always been robust within both ISAC and the consultative workshops. Submissions received also displayed the level of pride, consideration and ownership that the Australian wool industry has for the COP.

A major consideration in the development of the 2007-09 COP was the feedback and input which AWEX received from woolclassers during the various series of Boardtalk Seminars held across Australia. Woolclassers consistently raised a number of issues which they wanted to be included in the 2007-09 COP and which they also would like communicated to others within the wool industry.



Some of the issues raised by woolclassers included:

- ▶ That woolgrowers be made aware of their responsibilities and how they can contribute to a successful wool harvest,
- ▶ That the 2007-09 COP be written for a wider audience other than the woolclasser,
- ▶ That the 2007-09 COP be more user friendly,
- ▶ That the industry better understand the role of the woolclasser and the issues that they deal with, and
- ▶ That the 2007-09 COP be better structured and provide clearer answers to every day questions of woolclassers.

This was important feedback to receive and feedback which AWEX used to develop the 2007-09 COP.

As a result some significant changes were made to the structure and presentation of the 2007-09 COP, all changes were designed to make the 2007-09 COP more instructive, informative and appeal to a wider audience.

In the 2007-09 COP AWEX introduced:

**1. Color:**

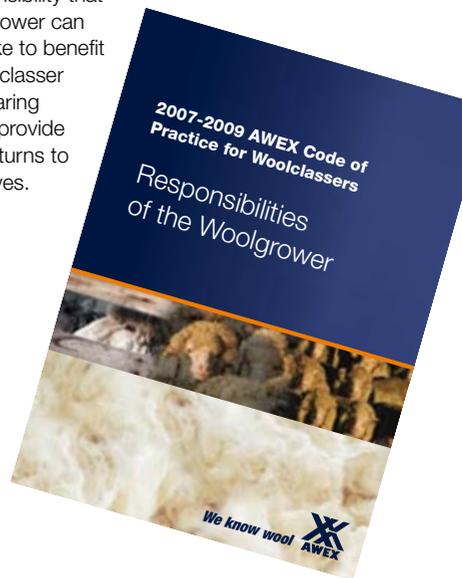
This was the first time the COP, the most important reference document for the preparation of Australian wool, had been published in color. If we require people to read and understand the Australian standard it must be appealing.

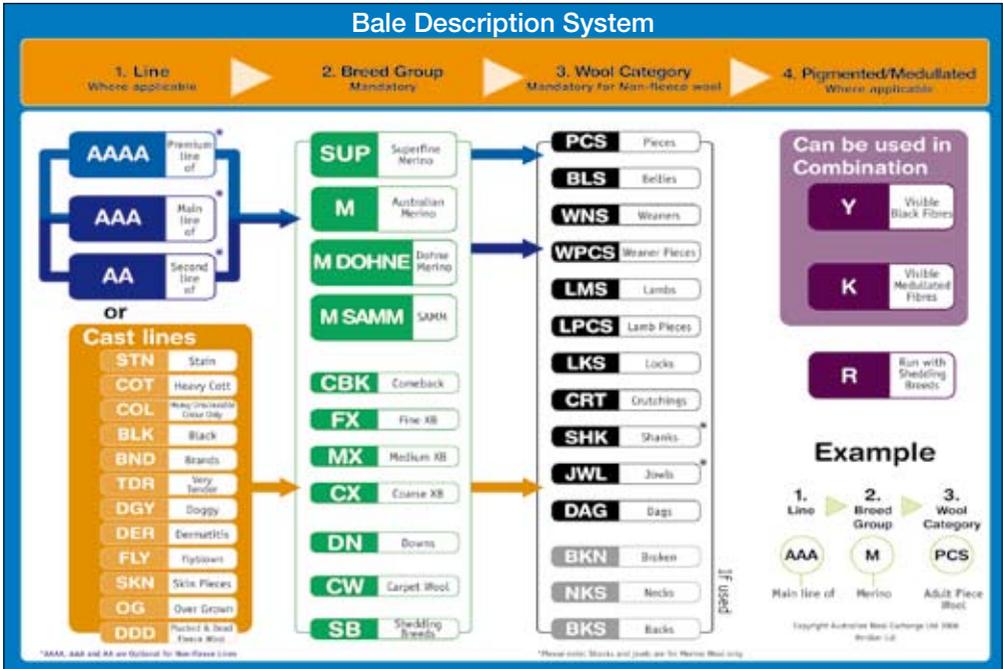
**2. Photographs/Illustrations:**

Photographs/Illustrations are used to demonstrate specific issues.

**3. Growers' Responsibilities:**

Providing woolgrowers with detail of those areas of responsibility that a woolgrower can undertake to benefit the woolclasser and shearing team to provide better returns to themselves.





#### 4. A new Bale Description System:

An intuitive system which was developed to be more meaningful from the grower through to the wool processor.

#### 5. Sections for the Wool Presser and Contractor:

Together with the woolclasser, shearer, woolhandler and woolgrower they are important parts of the entire wool shearing team.

The new Bale Description system was developed to address a number of issues which had been raised by wool processors and exporters alike. In the 2006/07 season Australia used 6,700 individual and unique descriptions for wool. Of the descriptions used, one description AAAM was used on 47% of the total wool volume. The variety of description used was not well understood throughout the wool processing pipeline.

This was made clear to AWEX during our meetings with Chinese wool processors.

The introduction of a mandatory Breed Description category reflects the change in breed profile of the Australian wool clip. The intent is to more accurately identify the breeding background of wool and provide wool buyers with a confidence to make informed wool purchases.

The adoption of a Pigmented/Medullated Risk category allows the woolclasser to identify lots which have visible pigmented/medullated fibre or may have run with shedding breeds.

The structure of the bale description system has been developed to assist in the training and delivery to new woolclassing students. It is important that we have a description system which can be delivered consistently to all woolclassers.

The implementation of the new system requires the educational support of AWEX and the wool industry. AWEX is monitoring the rollout but we expect this to take the full term of this triennium and we have committed sufficient resources to ensure that this is done effectively.

The 2007-09 COP also provides detailed answers to FAQ's - Frequently Asked Questions, which are answers to common questions raised by woolclassers with AWEX in seminars and in the weekly contact we have with them.

The 2007-09 COP also supports the Dark Medullated Fibre Risk Scheme and provides detail of the scheme and the reasons why the Australian wool industry supports this initiative.

## Preparation Compliance Programs

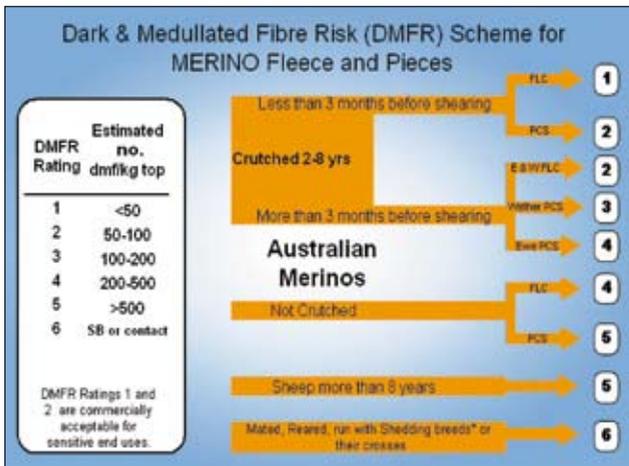
AWEX is committed to improving the standard of wool preparation and to assist the knowledge and understanding of Australian wool. Communication with woolclassers is an important element of the compliance program and is aimed at delivering improvement in preparation.

Communication includes the Boardtalk Journal, Seminars, Code of Practice and the letters written to individual woolclassers identifying any found fault.

An important element of the monitoring of wool preparation standards is the compliance program. AWEX audits all wool sold through the auction system for the standard of preparation. To do this effectively AWEX has developed, in consultation with the wool industry, technical guidelines which identify the level of preparation fault. AWEX calibrates its auditing staff to ensure that the assessment is consistent across the country.

AWEX communicates all found preparation faults directly with woolclassers on a weekly basis and with wool buyers and wool brokers before sale on a daily basis.

The reputation of Australian wool relies on the consistent and good performance of the woolclasser and it only takes one poorly prepared lot to spoil a processing batch. It is important though to put this in perspective, in 2006-07 of all lots offered through auction 96.3% were prepared according to the Australian standard the AWEX Code of Practice, 3.7% of lots were not prepared to the standard.



Indicates best practice.

These also appear as other colours within a section.



Highlights Key points for the relevant topic.



FAQs (frequently asked questions)

Throughout this code of practice we provide answers to common questions raised by Woolclassers. These explain why certain practices exist in order to help the Woolclasser do a professional and valued job.



Don't Forget

AWEX continues to promote the skills of woolclassers with our wool processors both in Australia and overseas so that when buyers purchase wool they will seek and prefer wool prepared by an Australian woolclasser.

At the IWTO Congress in Edinburgh in May 2007 there were some significant changes to the definitions of the Test certificate suffixes. The definitions are now consistent and tied to the level of preparation. Wool which is prepared on-farm and to the Australian standard will continue to be categorised as a 'P' Certificate. Wool which is prepared on-farm but does not meet the Australian standard will be identified as a 'D' Certificate. This change in definition will improve transparency by supporting good wool preparation which will be identified throughout the wool pipeline.

Classing Standard	IWTO Clip Preparation Category	
	Grower Lot	Bulk Class Lots
Meets Clip Preparation Guidelines	<b>P</b>	<b>Q</b>
Does not meet Clip Preparation Guidelines	<b>D</b>	<b>B</b>

### Registration Review Committee

During 2006/07 AWEX established the Registration Review Committee (RRC). The RRC's responsibility is to independently assess woolclassers whose preparation performance is considered below the standard expected and have shown to repeatedly fall below that standard. The RRC makes recommendations to AWEX on any corrective action to be taken including, retraining, probation, suspension or de-registration.

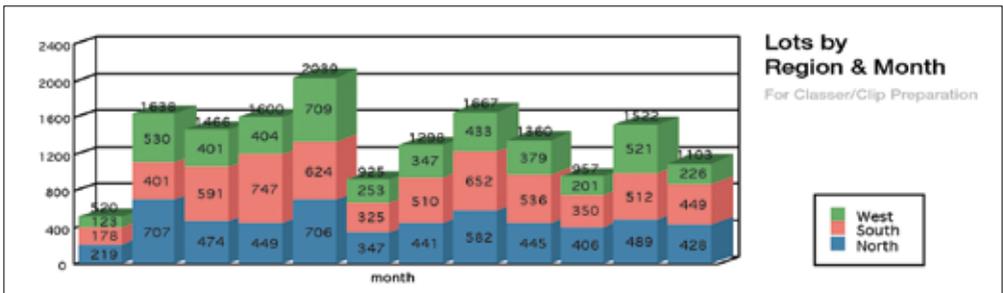
The RRC meets quarterly and has made a number of recommendations regarding corrective actions for woolclassers with repeated poor preparation problems.

### Boardtalk Seminars

AWEX continued to deliver the series of Woolclasser Seminars throughout Australia. The 2007 series took on a special significance with the release of the new 2007-09 Woolclassers' Code of Practice.

Woolclassers have supported these seminars in large numbers with over 3,000 attending seminars since the beginning of the series. At the seminars woolclassers receive the latest information about their industry from experienced people within the wool industry.

Woolclassers have enjoyed the opportunity to meet with fellow woolclassers and raise common issues of concern to them. The opportunity to communicate directly with AWEX has also been of considerable benefit and personalised AWEX for many.



State	Location	Number Attended
NSW		
	Dubbo	110
Victoria		
	Dunkeld	55
	Horsham	48
Tasmania		
	Launceston	30
Queensland		
	Maryborough	52
Western Australia		
	Narracoorte	82
	Kellerberin	52
	Wagin	23
	Gnowangerup	36
	Kojonup	31
	Perth	55

The series will continue in 2007-08 and again target key issues which are relevant to woolclassers and the region in which they work. As Boardtalk enters its 2nd and 3rd years the programs are more specific to meet the needs of woolclassers.

AWEX is also piloting a new seminar series involving woolclassers and woolgrowers. The 'Marketing Merino' seminar is being piloted in Victoria in conjunction with the Victorian Farmers' Federation and aims to bring key note speakers from the retail industry, wool buyers and key industry personnel together with woolclassers and woolgrowers. Speakers will highlight the importance of wool quality through the pipeline and this also gives the woolclassers and woolgrowers a chance to hear from those that are heavily involved in buying, processing and retailing of Merino wool products. Prevailing markets and market trends are issues which woolclassers and woolgrowers want to be closer to and this series of seminars will provide the best opportunity to bring the industry closer together.

## Promoting AWEX

The promotion of the services and activities of AWEX has never been an easy task. AWEX staff continue to have strong operational relationships with many commercial wool companies and their staff and they are very aware of the range of services provided. AWEX targets where it promotes its activities but, suffice to say, we consciously choose to support those areas which are most significant to the wool industry and where AWEX has a significant effect.

AWEX has been very busy providing advice and presentations at a number of industry functions during 2006-07. AWEX has attended and made presentations at both the 2006 and 2007 Nanjing Wool Conferences as well as the IWTO Conference held in Edinburgh.

AWEX staff have been active participants at the AWI National Consistency workshops where trainers from around the country have been meeting to learn more about AWI wool handler and shearer training and receive updates on the latest woolclasser, AWEX and industry news.

AWEX has also been invited to meet with various breed groups and grower groups over 2006-07. At any stage when people or companies have been gathering to discuss wool industry issues, AWEX has always tried to make itself available.

## Graduate Woolclasser of the Year

I am very proud that AWEX, together with TAFE have commenced the Graduate Woolclasser of the Year competitions.

The inaugural competition was held in NSW at the Royal Agriculture Society Easter show. The program, run in conjunction with TAFE NSW, brought together the six best Graduate Woolclassers as determined by TAFE.

Place	2007 NSW Graduate Woolclasser of the Year
1st	Florence R Klingner, Forbes NSW
2nd	Simon T Beer, Neirex NSW
3rd	Andrew J Worthington, Caringbah NSW

The second competition was the VIC/TAS Graduate competition held at the Bendigo Sheep Show. Again this competition was held in conjunction with TAFE VIC and TAS as the best graduates from the two States competed for the title.

Place	2007 VIC/TAS Graduate Graduate Woolclasser of the Year
1st	Meg Chandler, Hamilton, Victoria
2nd	John Leach, Rheola, Victoria
3rd	Ethan Merton, McLeod, Victoria



Winners of the Victoria/Tasmania Graduate Woolclasser of the Year Competition held on the 21st July 2007.

The competition gave competitors the opportunity to display their range of skills including classing Superfine Merino, Medium Merino and Crossbred clips. Competitors used AWEX-ID to appraise lots

and place a price estimate on lots based on current Premium and Discount schedules.

Students had to complete accurate woolclasser specifications for each clip and provide a verbal explanation of the rationale behind their classing of the Superfine Merino clip. The competition was something very new for each contestant and having to compete in front of an audience took them out of their comfort zones.

Three judges were used: the Senior AWEX Auditor, A TAFE Trainer and a Wool Buyer.

The results were outstanding and credit must go to the competitors and their trainers. Rarely does a woolclasser have to perform in front of a crowd of onlookers but each did it with absolute professionalism.

AWEX has plans to roll the competition out to include all States and we look forward to the 2008 series.

### Woolclasser Education

The National Training Resource used by Registered Training Organisations for Woolclasser training is currently being updated with the new policies defined in the 2007-09 Woolclassers' Code of Practice.

AWEX will offer additional professional development opportunities to woolclassers in 2007-08 via a series of "Masterclasser" workshops. The objective of these workshops are to:

- ▶ Enhance management techniques,



#### Does the Woolclasser have to sign the Dark and Medullated fibre section of the Woolclasser's Specification?

**AWEX:** No. Only the Woolgrower can legally sign the DMFR section of the Woolclasser's specification as the Woolgrower is in the best position to ascertain the level of contact. AWEX will contact the Woolclasser if any dark and/or medullated fibre contamination is identified in the sample.

#### What if the Woolgrower does not complete the Dark and Medullated Fibre Risk declaration?

**AWEX:** The lines of wool will be published in sale catalogues as "Not Declared".

- ▶ Develop communication skills,
- ▶ Reinforce a quality culture, and
- ▶ Bring woolclassers closer to the customer.

### China Australia Working Group

The China Australia Working Group was established following the open letter from the Chinese wool industry to woolgrowers. The working group is a FAWO initiative and was established to create a focal point of communication for the wool industry between both countries.

The Members are:

Chinese	Australian
Charles Ing Reward Joint Chairman	David Nancarrow, ACWEP President Joint Chairman
Zheng Yao Kun, Director of Wool Committee of CWTA	Mark Grave AWEX, CEO
Wen Qing Nan President of Tianyu	Michael Jackson, AWTA, Managing Director
Wang Xiao Ping Senior engineer of Jiangsu CIQ	Robert Pietsch, WoolProducers former President
Feng Wei, Manager of Nanjing Textiles Imp & Exp Co., Ltd.	Robert Ryan NCWSBA President

The working group has met three times and established a basis of excellent communication between the Australian and Chinese wool industries.

The specific concerns raised by the Chinese were:

- ▶ Perceived decline in the preparation of Australian wool,
- ▶ Concerns about increasing dark fibre,
- ▶ Concerns about contamination,
- ▶ A need to better understand the structure of the Australian wool industry, particularly, who to contact, and
- ▶ Concerns about how to deal with a dispute should one arise.

The Working Group very quickly established that it is not an arbitration group and that any arbitration issue is an issue for the customer and their supplier. Also the Working Group pointed out that most contracts had dispute resolution clauses and that the IWTO wool contract was a good example of this.

The first initiative was to conduct training and education seminars for processing staff in China. These were carried out on the 15th & 16th September 2007 at Zhangjiagang. Seminar attendees listened and participated in seminars about the Australian wool industry, wool testing and walked through wool samples to discuss wool, wool growing and wool preparation. The attendance exceeded initial expectations with in excess of 160 people representing 58 wool processing mills.

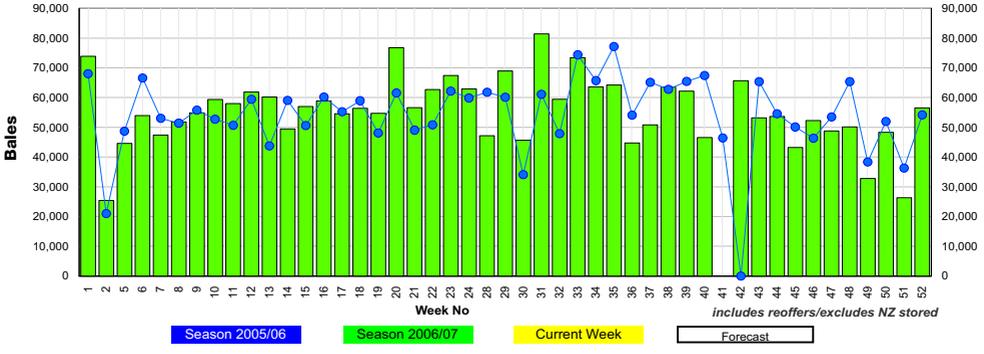
Presentations were made by AWI, AWTA and AWEX.

The attendees came from a variety of backgrounds and each had a different understanding of Australia and Australian wool but all could appreciate the messages which were being presented.

The seminar was a great success and feedback from attendees supported this. More important was that a new network of communication has been established and this can only be better for our industry and one that we will work on to maintain.



### Australian Offer Profile - Season on Season



## Market Information

Whilst wool production continues to decline the wool market improved during the year with prices well ahead of the previous 12 months. The AWEX-Easter Market Indicator closed the season at 931 cents, 184 cents above the opening level (+25%). The EMI also made a four-year high during the season after reaching 1025 cents in May. The rise in prices was despite a rising Australian dollar which closed the season at 84.1 US cents, almost 10 US cents (+13%) above its opening level.

The Market Information unit continues to strive for improvements in processes and delivery, and a number of internal changes were implemented during the year to help improve efficiency and reliability. These improvements are measured against our two main targets:

- ▶ Accuracy,
- ▶ Timeliness.

Our goal is to deliver market information as quickly as possible, without compromising on accuracy. Feedback from our clients informs us that these are the two deliverables that are most important to their businesses. Apart from using a number of analytical tools available to them, our analysts maintain dialogue with the trade on a day-to-day basis to confirm our view of the market.

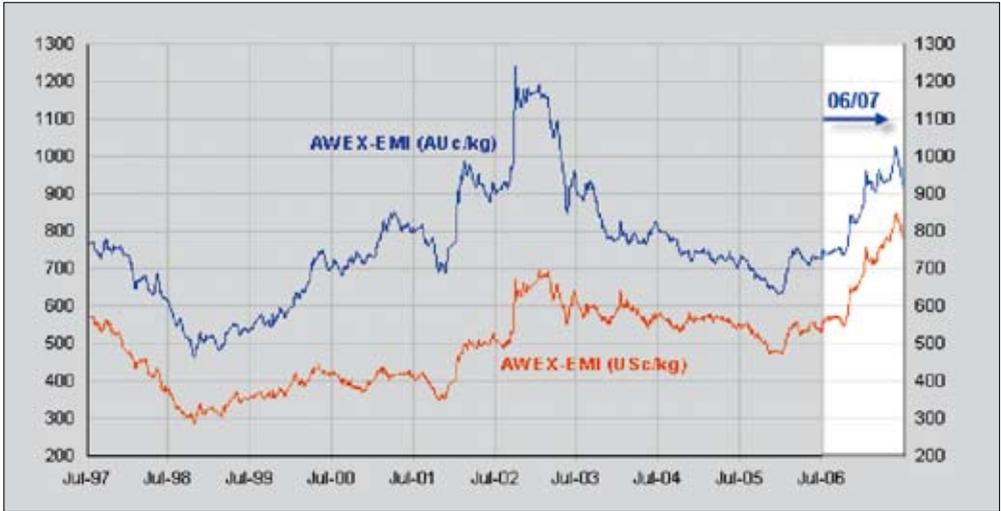
### SEASONAL COMPARISONS

Australian stored up to and Including Week Number: **53**

Season	Selling Weeks	Bales Offered	Year on Year	Bales Sold
2000/01	45	3,253,150		2,839,529
2001/02	44	2,966,705		2,546,225
2002/03	45	2,566,817		2,137,451
2003/04	45	2,543,717		2,130,684
2004/05	46	2,634,302		2,289,218
2005/06	46	2,574,326		2,237,666
2006/07	46	2,584,025	9,699	2,295,509

The diversity of Market Information clients continues to widen with an increasing number coming from overseas. Individual client requests are also greater than ever with more of a focus on information and reports customised to their particular needs. In particular for these clients are reports detailing future supply with the Five Week Forecast becoming a key component in wool purchasing decisions. Also detailing supply trends is the AWEX "Similar Brands" report which assists the Wool Production Forecasting Committee in assessing forecast supply.

For the 2007-08 season we plan to re-assess the content for many reports to confirm their relevance in today's market. While most reports will remain largely unchanged, it is anticipated that some reports will be re-designed including the popular Premium & Discount reports, and the Superfine report.



### Industry Services Advisory Committee

The Industry Services Advisory Committee (ISAC) has worked tirelessly over the past year. ISAC's responsibilities include the review of the Woolclassers' Code of Practice and the Rules of Registration. The AWEX Board and Management are grateful for the time, effort and commitment shown by each Member of ISAC. The tireless work has proven fruitful in the publication of the most innovative Code of Practice to date. ISAC has set a high standard and a solid platform for future work of this important Committee.

ISAC concluded its first three year term at the closure of 2006. ISAC was capably led by the Chairman, Mr. Andy Hermiston. Andy has been a wonderful source of knowledge and counsel to this Committee and also to AWEX. His enthusiasm for the wool industry and his drive to achieve has been of great benefit to the wool industry. Andy had also served as part of the former AWEX Quality Advisory Committee and has always shown a willingness to work for the benefit of others. On behalf of AWEX staff, ISAC and Members I would like to thank Andy for his dedication and leadership through some fairly difficult issues.

ISAC Committee Members:

Chairman	
Mr Russell Pattinson	Independent Chair
Members	
Dr Peter Morgan	Australian Wool Industry Secretariat
Mr Don Hamblin	Grower Representative
Mr Stuart Clayton	Wool Buyer and Processor
Mr Don MacDonald	Broker Representative
AWEX Staff	
Mark Grave	Chief Executive Officer
Kerry Hansford	Committee Secretary

With the commencement of the new term of ISAC it also brings with it a change of focus and membership. This ISAC term will also run for a three year period and will conclude with the next release of the 2010-12 Woolclassers' Code of Practice. The new Chairman of ISAC is Mr. Russell Pattinson who has a long and distinguished career in the wool industry.

In this term of ISAC the Committee will be considering and monitoring:

- ▶ Rules of Registration and Code of Practice for Classing Houses,
- ▶ The implementation of the 2007-09 Woolclassers' Code of Practice,
- ▶ Woolpack Standards and the Woolpack Quality Assurance Program,
- ▶ Woolclasser education programs including Masterclasser, and the
- ▶ 2010-12 Woolclassers' Code of Practice.

These issues will require consideration in the short to medium term and ISAC and AWEX will require a broad structure of consultation to feed into each review. ISAC has the ability to second people with the required skills to contribute to the consideration of specific issues as required. This is an important feature of ISAC which ensures there is a blend of skills and experience to consider each issue.

ISAC is a very important Committee for the industry and we look forward to working with Russell and ISAC and the challenges that we will face together.

## NASC

The National Auction Selling Committee (NASC) was established in November 2004. It is comprised of eight elected representatives (4 Sellers and 4 Buyers) with an independent Chairman. AWEX provides all Secretarial and support services. NASC members are elected for a term of three years. Six positions on the Committee are due for re-election in November 2007. For the period July 06 to June 07, NASC convened five times. Significant agenda items for the season included:

- ▶ The 2007-08 and 2008-09 Wool Selling Programs, debate on Wool Selling centres and split sale scenarios,
- ▶ Catalogue lotting of lots containing Dark and Medullated fibre,
- ▶ Catalogue lotting of fleece lots containing excessive skirting,
- ▶ Discussions related to potential market management in periods of high supply and price volatility.

# members

## Trading Members

A C Pacific Trading Pty Ltd

A R Rhodes & Company

A S Gedge Australia Pty Ltd

ABB Wool Export (a division of Wool Export Grain Ltd)

ACF Wool Traders Pty Ltd

Adelaide Wool Company - Division of ABB Grain Ltd

Associated Wool Exporters Pty Ltd

Attadale Wool Company Pty Ltd

Australian Wool & Pastoral Agency Limited

Australian Wool Network (WA) Pty Ltd

Australian Wool Network Pty Ltd

Australis Wool Pty Ltd

B N Proud & Company

Barwon & Yarra Wool Brokers Pty Ltd

Beecher Wool Services

Brockmill Pty Ltd T/As Dyson Jones Wool Marketing

Bryton Wool

BWK Elders Australia Pty Ltd

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

Dewavrin Australia Pty Ltd

Don Belgre Pty Ltd

Donghai Australia Pty Ltd

Dynon Wools (Aust) Pty Ltd

E P Robinson Pty Ltd

F Whitbread & Company (Rocklea)

Fibres (Australia) Pty Ltd

Fletcher International Exports Pty Ltd (Dubbo)

Fox and Lillie Pty Ltd

Fremantle Wool Trading Company Pty Ltd

Goddard Wool Marketing Pty Ltd

Goldex Corporation Pty Ltd T/As Mascot Wool

Gordon Litchfield Wool Pty Ltd

GrainCorp Operations Limited

H Dawson Sons & Company (Aust) Pty Ltd

Harvest Wool (Australia) Pty Limited

Hodge Wool Pty Ltd

Itochu Wool Limited

J A Seager & N E Seager Partnership

James Stedman (Wool) Pty Ltd

Jemalong Wool Pty Ltd

Jenkyn Wool Exports Pty Ltd

John Boddice Wool Company Pty Ltd

John Marshall & Company Limited

Kathaytex Pty Limited

Landini Industries Pty Ltd

Landmark Operations Limited

Lanoc Wool Pty Ltd

Laycock Speciality Fibres Pty Ltd

Lempriere (Australia) Pty Ltd

M & M Wools (Aust) Pty Ltd

M A Kiernan & Company Pty Ltd

Maggie International Trading Pty Ltd

McFeeters Wool

Melbourne International Wool Traders Pty Ltd

Michell Pty Ltd

Modiano Australia Pty Ltd

Montgomery Wools Pty Ltd

members contd

Morepen Pty Ltd

Moses and Son

New England Wool Pty Ltd

New Wool Traders

Ostini Wool Pty Ltd

P J Morris Wools Pty Ltd

Peter Scanlan Wools

Primaries of WA Pty Ltd

Quality Wool Pty Ltd

Quay Wool Services Pty Ltd

Reward Australia Pty Ltd

Riverina Wool (Aust) Pty Ltd

Riverton Wools

Roberts Limited

Rodwells & Company Pty Ltd

Saunders Wool Pty Ltd

Segard Masurel (Australia) Pty Ltd

Sim International Pty Ltd

Sky Wool Australia Pty Ltd

Southern Cross Wool Pty Ltd

Standard Wool Australia Pty Ltd

Standard Wool Australia Pty Ltd

Stockwool Pty Ltd

Techwool Trading Pty Ltd

The New Zealand Merino Company Ltd

Tradeswool Country Woolbuyers Pty Ltd

Tradeswool Pty Ltd

V & H Smythe Pty Ltd

Victoria Wool Processors Pty Ltd

Vicwool Pty Ltd

Watswool Pty Ltd

West Coast Wools Pty Ltd

Western Wool Marketing

Williams Wool Pty Ltd

Wool Agency Company Pty Ltd

Woolgrowers Independent Selling Services Ltd

Yarra Wool

Yeoward & Company

**Associate Members**

Australian Superfine Woolgrowers' Association

The WoolMark Company

WA Department of Agriculture

**Grower Members**

A J Byrne & Company

Andrew Wall

Anthony Chenery

Arthur M Bock

Australian Wool Growers Pty Ltd

Autumnvale Pastoral Company

Balquhidder Pty Ltd

Bloomfield Pastoral Company

Brett Campbell

Bukalong Enterprises

Byanga Pastoral Company

C E Hyde & Company

C M De Mestre

C W A & D W Prell

Cavanagh Partnership

Clyde Agriculture Limited

Coomba Grazing Company Pty Ltd

## members contd

### Grower Members contd

D D & A J Long

D W Taylor Pty Ltd

Dingo Range

Duncan Fraser

East Murandal

G A Amery Family Trust T/As Amberedge Pty Ltd

G W & C L Clothier & Sons

Garth England

George Terrant Walker

Glenbuddah Pty Ltd

Glenelg Estate

Golding Farms

Gordon Litchfield

Gorrinn Pastoral Company

Ian Aubrey

Ian Burbury

Ian Mclean

Ian William Whiteley

J A & J A McCracken

J M Moore

J P & S M Ranken

J R & D M D Mills

J R L Hall & Company

John Edward Beveridge

K Q & J J Miller

Kalmer Pastoral Company

Kentucky Pty Ltd

Kevin Gill

L J & W J Parkins

Lindsay & Bridgman

MA & AL Nicholls

Mance Pastoral Company Pty Ltd

Marong Pastoral Company Pty Ltd

Max Zell Family Settlement Trust

Mclvor Agricultural Consultants Pty Ltd

Michael Binley

Parling Yards Trading Company

Pete Longley

Phil O'Brien Wool Pool

Quambaloo Pastoral Company

Robert Pietsch

Robert Richardson Dick

Roger Farquharson Mason

S S & W A Parkinson

Spielvogel, Karalta

Stonehouse Grazing

Sun Valley AG

Terinallum Partnership

Terry Carlon

The Mutooroo Pastoral Company Pty Ltd

Twynam Pastoral Company Pty Ltd

W S & M E McCann Pty Ltd

Wandella Pastoral Partnership

Woolaway Grazing

WoolProducers

Yarrabee Grazing Company

07  
ANNUAL  
REPORT



# directors' & financial report

## directors' report

Your Directors submit their report for the year ended 30 June 2007.

The names of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Director	Experience	Special Responsibilities
	<p><b>R.A. Farrar</b> Chairman</p> <p>Chairman, McGarvie Smith Institute; Hon. Councillor Royal Agricultural Society of NSW.</p>	<p>Chairman; Chairman, Compliance and Corporate Governance Committee; Chairman, Remuneration Committee.</p>
	<p><b>R.W. Amos</b> Director</p> <p>Managing Director, Adelaide Wool Company Pty Ltd; Past Federal President of the Federal Council of Private Treaty Merchants of Australia; Managing Director, Robaine Pty Ltd.</p>	<p>Non Executive Director; Member, Organisational Review Committee.</p>
	<p><b>D.R. Belgre</b> Director</p> <p>Managing Director, Don Belgre Pty Ltd; Managing Director, G. Schneider Australia Pty Ltd; Chairman, Australian Wool Network Pty Ltd; Chairman, AWN Property Pty Ltd.</p>	<p>Non Executive Director; Member, Audit Committee; Member, Compliance and Corporate Governance Committee; Member, Rules Committee; Member, Remuneration Committee; Member, Membership Admission Committee.</p>
	<p><b>I.K. McIvor</b> Director (Resigned 17/11/2006)</p> <p>International Trade Consultant and Woolgrower; Director, Livecorp Ltd; Director, Australian Livestock Exporters Council Ltd.</p>	<p>Non Executive Director; Member, Remuneration Committee; Member, Audit Committee; Member, Compliance and Corporate Governance Committee;</p>
	<p><b>D.R. Michell</b> Director Resigned (17/11/2006)</p> <p>Managing Director, Michell Pty Limited; Chairman and Director, Wirra Wirra Vineyards Pty Limited; Director, Australian Wool Testing Authority Ltd Past President, Australian WoolProducers Council.</p>	<p>Non Executive Director; Member, Organisational Review Committee.</p>
	<p><b>M.J. Moses</b> Director</p> <p>Managing Director – Moses and Son; Director, Pinefarm Pty Limited; Director, Yennora Wool Brokers; Director/Secretary, The Pinnacles (Temora) Pty Limited.</p>	<p>Non Executive Director; Member, Rules Committee; Member, Membership Admission Committee, Board Representative ISAC.</p>

Director	Experience	Special Responsibilities
	<p><b>D.J. Nancarrow</b> Director (Resigned 17/11/2006)</p> <p>Managing Director – Dewavrin Australia Pty Ltd; President, Australian Council of Wool Exporters; Director, Australian Wool Testing Authority Ltd; Director, A Dewavrin Fils (NZ) Ltd.</p>	<p>Non Executive Director; Member, Organisational Review Committee.</p>
	<p><b>R.D. Pietsch</b> Director</p> <p>Grazier; Director, Terrica Holdings Ltd; Director, Australian Wool Testing Authority Ltd; President, WoolProducers.</p>	<p>Non Executive Director; Chairman, Rules Committee; Member, Organisational Review Committee.</p>
	<p><b>C. Turner</b> Director (Resigned 27/2/2007)</p> <p>Victorian State Wool Manager, Landmark Operations Ltd; Member, Dark and Medullated Fibre Risk Committee, Federation of Australian Wool Organisations and Australian Wool Innovation.</p>	<p>Non Executive Director; Member, Organisational Review Committee.</p>
	<p><b>D.M. Watt</b> Director (Resigned 17/11/2006) Director (Appointed 25/1/2007)</p> <p>Lawyer; Woolgrower; Chairman of Integrated Tree Cropping Limited.</p>	<p>Non Executive Director; Member, Audit Committee; Member, Compliance and Corporate Governance Committee; Member, Remuneration Committee.</p>
	<p><b>M.F. Pritchard</b> Company Secretary (Appointed 1/06/2005)</p> <p>Chartered Accountant.</p>	<p>Company Secretary; Chief Financial and Administrative Officer; Secretary, Audit Committee; Secretary, Compliance and Corporate Governance Committee; Secretary, Membership Admission Committee; Secretary, Organisational Review Committee.</p>
Alternate Director	Experience	Special Responsibilities
<b>D.R. Hamblin</b> Alternate for R.D.Pietsch	<p>Grazier; Director, WoolProducers; Councillor, NSW Farmers Executive; Chairman, NSW Farmers Wool Committee; Professional Woolclasser.</p>	<p>Alternate Director</p>
<b>D.A. MacDonald</b> Alternate for M.J.Moses	<p>Managing Director, Lanoc Wool Pty Ltd; Managing Director, Yennora Wool Brokers Pty Ltd.</p>	<p>Alternate Director</p>
<b>W. Lempriere</b> Alternate for D.J.Nancarrow (Resigned 17/11/2006)	<p>Managing Director, Lempriere Australia Pty Ltd; Managing Director, Lempriere, Fox &amp; Lillie Pty Ltd.</p>	<p>Alternate Director</p>

## Corporate Information

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 liability of the company's Members is limited.

## Principal Activities

The company's principal continuing activities during the year consisted of:

- ▶ Supply of market information on behalf of members;
- ▶ Administration of quality management programs;
- ▶ Wool pack quality management;
- ▶ Administering the conduct of wool selling; and
- ▶ Registration of wool classers.

## Employees

The company employed 15 full time and 12 casual employees as at 30 June 2007 (2006: 18 full time permanent and 11 casual employees).

## Results

An operating surplus of \$54,308 (2006: \$39,446) was achieved for the year.

## Dividends

Being limited by guarantee, the company does not pay dividends.

## Review of Operations

Revenue for the year was primarily derived from service fees received of \$4,265,995 (2006: \$5,528,844). Total revenue for the period was \$4,725,268 (2006: \$5,920,994).

Total operating expenses for the year were \$4,670,960 (2006: \$5,881,548) relating to the provision of project and ongoing services.

## Performance Management

Management and the Board monitor the company's overall performance, from its implementation of the mission statement and strategic plan through to the performance of the company against operating plans and financial budgets. Directors receive financial reports monthly and prior to each board meeting allowing all directors to actively monitor the company's performance.

## Risk Management

The Board is responsible for identifying risks and opportunities on a timely basis and for ensuring the company's objectives and activities are aligned with those risks and opportunities. The Board considers this to be a crucial function and therefore does not have a separate risk management sub-committee.

The Board has mechanisms in place to oversee specific aspects of management's functionality. These include:

- ▶ Audit Committee - which monitors and advises the Board on management finance and oversees the external financial statement audit process;
- ▶ Compliance and Corporate Governance Committee – which monitors and advises the Board on corporate governance and expenditure policies;
- ▶ Remuneration Committee – which monitors and advises the Board on issues relating to personnel policies as well as remuneration for AWEX staff.

## Corporate Governance

The business and affairs of AWEX are vested in the Board, which has responsibility for the management and control of the Company. The Board elects the Chairman.

At present there are 6 Directors, including the Chairman. There are four face-to-face Board meetings each year. In addition, the Board holds a number of teleconferencing meetings.

Day to day management of AWEX is delegated to the Chief Executive Officer. To assist the Board and management in carrying out their duties, permanent Board Committees are created with either delegated authority or in an advisory role. All committees have terms of reference. Ad hoc committees, established for a specific special purpose, are established as required.

## Significant Changes in the State of Affairs

There have been no significant changes to the company's state of affairs during the year.

## Matters Subsequent to the End of the Financial Year

In July 2007 a major broker member resigned from AWEX. The effect of this resignation on AWEX in the subsequent financial year is unable to be determined.

Except as stated above, as at the date of this report no matters or circumstances have arisen since 30 June 2007 that have significantly affected or may significantly affect:

1. the company's operations; or
2. the result of those operations; or
3. the company's state of affairs;

in the financial year subsequent to 30 June 2007.

## Likely Developments and Expected Result of Operations

There are no other likely developments which will adversely impact on the results of the company.

## Directors' Meetings

The following table sets out the number of meetings of the company's directors held during the year ended 30 June 2007, 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;
- ▶ Remuneration Committee;
- ▶ Rules Committee;
- ▶ Organisational Review Committee; and
- ▶ Membership Admissions Committee.

**A = Attended E = Eligible to Attend**

**Note:** The Rules Committee and the Organisational Review Committee did not meet during the financial year.

	Board		Committees										
	Board Meetings		Audit		Compliance & Corporate Governance		Remuneration		Rules		Organisation Review		
<b>Directors:</b>	A	E	A	E	A	E	A	E	A	E	A	E	
R A Farrar	9	9			3	4	2	2					
R W Amos	9	9											
D R Belgre	9	9	1	1	4	4	2	2					
I K Mclvor Resigned 17/11/2006	3	3	1	1	2	2	1	1					
D R Michell Resigned 17/11/2006	2	3											
M J Moses	9	9											
D J Nancarrow Resigned 17/11/2006	3	3											
R D Pietsch	9	9											
C Turner Resigned 27/2/2007	5	6											
D M Watt Resigned 17/11/2006 Appointed 25/1/2007	6	6	1	1	4	4	2	2					
<b>Alternate Directors:</b>	For	A	E	A	E	A	E	A	E	A	E	A	E
D J Nancarrow Appointed 17/11/2006	D R Belgre												
D R Hamblin	R D Pietsch												
W Lempriere Resigned 17/11/2006	D J Nancarrow												
D A MacDonald	M J Moses												

## Directors' Indemnity

During the year the company has paid a premium of \$8,255 (2006: \$16,818) for professional indemnity insurance for Directors and Officers of the company, which provides cover for all past, present and future Directors and Officers.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

## Directors' Benefits

A number of the directors have interests in organisations that utilise the services of the company in the ordinary course of business. These services were provided under the company's standard terms and conditions.

With these exceptions, since 30 June 2006 no director of the company has received or become entitled to receive a benefit (other than remuneration included in note 14 to the accounts) because of a contract that the director, a firm of which the director

is a member, or an entity in which the director has a substantial financial interest, has made (during the year ended 30 June 2007 or at any other time) with either the company or an entity that the company controlled, or a body corporate that was related to the company, when the contract was made or when the director received or became entitled to receive the benefit.

### Auditor

Thomas Davis and Co was appointed as the auditor of the company by vote at the Annual General Meeting on 13 November 1998 in accordance with section 327 of the Corporations Act 2001.

### 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.



R A Farrar  
Chairman



D R Belgre  
Director

Melbourne 29th August 2007

AUSTRALIAN WOOL EXCHANGE LIMITED

A.B.N. 35 061 495 565

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION  
307C OF THE CORPORATIONS ACT 2001

*Thomas Daniels*

*Chris Semar*

## income statement

for the year ended 30 June 2007

	Notes	2007	2006
		\$	\$
Revenues from ordinary activities	2	4,725,268	5,920,994
Employee benefit expenses		(1,748,935)	(1,605,581)
Depreciation and Amortisation Expenses	3	(364,507)	(450,569)
Occupancy Costs		(355,877)	(363,356)
Other expenses from ordinary activities		(2,201,641)	(3,462,042)
Profit from ordinary activities before income tax expense	3	54,308	39,446
Income tax expense relating to ordinary activities	1(b)	-	-
Net profit from ordinary activities after related income tax expense	13	54,308	39,446

The above income statement is to be read in conjunction with the accompanying notes.

## statement of changes in Members' funds

for the year ended 30 June 2007

	Notes	2007	2006
		\$	\$
Total members' funds at the beginning of the financial year		4,813,279	4,773,833
Net income recognised directly in members' funds		-	-
		4,813,279	4,773,833
Net Profit/(Loss) for the year		54,308	39,446
Total recognised income and expense for the year		54,308	39,446
Total members' funds at the end of the financial year		<u>4,867,587</u>	<u>4,813,279</u>

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

## balance sheet

as at 30 June 2007

	Notes	2007	2006
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	6,458,934	4,945,015
Receivables	5	387,459	465,873
Other current assets	6	87,197	117,501
<b>Total Current Assets</b>		<b>6,933,590</b>	<b>5,528,389</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	7, 20	427,503	537,844
<b>Total Non Current Assets</b>		<b>427,503</b>	<b>537,844</b>
<b>TOTAL ASSETS</b>		<b>7,361,093</b>	<b>6,066,233</b>
<b>CURRENT LIABILITIES</b>			
Payables	8	292,163	522,906
Provisions	9	162,328	149,506
Other current liabilities	10	1,923,211	488,688
<b>Total Current Liabilities</b>		<b>2,377,702</b>	<b>1,161,100</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	11	115,804	91,854
<b>Total Non Current Liabilities</b>		<b>115,804</b>	<b>91,854</b>
<b>TOTAL LIABILITIES</b>		<b>2,493,506</b>	<b>1,252,954</b>
<b>NET ASSETS</b>		<b>4,867,587</b>	<b>4,813,279</b>
<b>MEMBERS' FUNDS</b>			
Members' Reserves	12	640,000	640,000
Retained Surpluses	13	4,227,587	4,173,279
<b>TOTAL MEMBERS' FUNDS</b>		<b>4,867,587</b>	<b>4,813,279</b>

The above balance sheet is to be read in conjunction with the accompanying notes.

## cash flow statement

for the year ended 30 June 2007

	Notes	2007	2006
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers *		5,903,628	4,519,915
Payments to suppliers		(4,500,423)	(5,555,712)
Interest Received		364,119	311,014
Net cash inflows / (outflows) from operating activities	19	1,767,324	(724,783)
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(254,166)	(375,698)
Proceeds from sale of plant and equipment		761	332
Net cash inflows / (outflows) from investing activities		(253,405)	(375,366)
<b>Net increase (decrease) in cash held</b>		1,513,919	(1,100,149)
<b>Cash and cash equivalents at the beginning of the financial year</b>		4,945,015	6,045,164
<b>Cash and cash equivalents at the end of the financial year</b>	4	6,458,934	4,945,015

\* The 2007 receipts from customers includes collection of the triennium woolclasser registration fees.

The above cash flow statement is to be read in conjunction with the accompanying notes.

for the year ended 30 June 2007

Notes	2007	2006

**1. Summary of significant accounting policies**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared in accordance with the historical cost convention, and does 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 Report.

This Financial Report was authorised for issue on Wednesday 29th August 2007 by the Board of Directors.

The company is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office is Ground Floor, 318 Burns Bay Road, Lane Cove, NSW 2066. 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 Balance Sheet to Share Capital.

A summary of significant accounting policies is set out overleaf:



for the year ended 30 June 2007

Notes	2007	2006
<p>(d) Receivables</p> <p>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.</p> <p>(e) Revenue Recognition</p> <p>Revenue is recognised to the extent that is probable that the economic benefits will flow to Australian Wool Exchange Limited and that it can be reliably measured.</p> <p>Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.</p> <p>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 Balance Sheet as Unearned Income under the heading Current Liabilities - Other.</p> <p>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.</p> <p>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.</p> <p>All revenue is stated net of the amount of goods and services tax (GST).</p>		

for the year ended 30 June 2007

Notes

2007

2006

(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 an employee accumulation superannuation fund. Contributions are charged against income.

(ii) Number of employees at year end

- Full time permanent staff	15	18
- Casual Staff	12	11

(g) Good 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 balance sheet.

for the year ended 30 June 2007

(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.

## 2. Revenue from Ordinary Activities

Operating activities

	2007	2006
	\$	\$
Joining Fees	32,000	11,000
Subscription Fees	59,590	63,893
Fees for Service	4,265,995	5,528,844
Other Revenue	2,803	6,243
Interest Received	364,119	311,014
Non-operating activities		
Other Revenue	761	-

Total revenue from Ordinary Activities

4,725,268 5,920,994

## 3. Profit 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

364,507 450,569

Total Depreciation and Amortisation Expenses

364,507 450,569

for the year ended 30 June 2007

### 3. Profit from Ordinary Activities contd.

Operating lease rentals

- Minimum lease payments

Total Operating Lease Rental

Transfer to/(from) provision for Holiday Pay

Transfer to/(from) provision for Long Service Leave

(Losses)/Gains on Disposal of Property, Plant & Equipment

Gain/(loss) on disposal or Property, Plant & Equipment

Loss on Disposal

Net gain/(loss) on disposal or Property, Plant & Equipment

### 4. Current Assets - Cash and Cash Equivalents

Cash on Hand

Cash at Bank

Deposits at Call

Cash and Cash Equivalents

### 5. Current Assets - Receivables

Trade Debtors \*

less: Provision for Doubtful debts

Trade debtors after provision for doubtful debts

Accrued Revenue

Receivables

Notes	2007	2006
	\$	\$
	282,599	289,245
	282,599	289,245
	12,822	82,929
	23,950	4,789
	761	332
	-	(110,623)
	761	(110,291)
	800	800
	2,732,569	186,125
	3,725,565	4,758,090
	6,458,934	4,945,015
	264,055	375,240
	(15,000)	(15,000)
	249,055	360,240
	138,404	105,633
	387,459	465,873

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

for the year ended 30 June 2007

## 6. Current Assets - Other

	2007	2006
	\$	\$
Prepayments	59,676	90,442
Other Debtors	27,521	27,059
Other	87,197	117,501

## 7. Non Current Assets - Property, Plant and Equipment

Plant and equipment at cost	2,239,904	2,206,884
less: Accumulated depreciation	(1,812,401)	(1,669,040)
Property, Plant and Equipment	427,503	537,844

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

## 8. Current Liabilities - Payables

Creditors	120,034	310,145
Accrued Expenses	172,129	212,761
Payables	292,163	522,906

## 9. Current Liabilities - Provisions

Employee entitlements (being provision for Annual Leave and Superannuation)	162,328	149,506
Provisions	162,328	149,506

## 10. Current Liabilities - Other

Unearned Income	1,923,211	488,688
Other	1,923,211	488,688

Notes	2007	2006
	\$	\$
	59,676	90,442
	27,521	27,059
	87,197	117,501
	2,239,904	2,206,884
	(1,812,401)	(1,669,040)
20	427,503	537,844
	120,034	310,145
	172,129	212,761
	292,163	522,906
	162,328	149,506
	162,328	149,506
1(e)	1,923,211	488,688
	1,923,211	488,688

for the year ended 30 June 2007

### 11. Non-current Liabilities - Provisions

Employee entitlements (being provision for Long Service Leave)

Provisions

### 12. Members' Funds - Reserves

Members' Reserves

Balance at 1 July

Transfer from Retained Surplus

Reserves

### 13. Members' Funds - Retained Surplus

Retained Surplus

Balance at 1 July

Net profit attributable to members of the company

Retained Surplus

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

### 14. 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

Post-employment benefits

Other Long-term benefits

Remuneration of Directors and Key Management Personnel

Notes	2007	2006
	\$	\$
	115,804	91,854
	115,804	91,854
	640,000	640,000
	-	-
	640,000	640,000
	4,173,279	4,133,833
	54,308	39,446
	4,227,587	4,173,279
	594,515	612,989
	48,133	30,575
	8,185	5,929
	650,833	649,493

for the year ended 30 June 2007

Notes	2007	2006
	\$	\$
<b>15. Remuneration of Auditors</b>		
Amounts received or due and receivable by Thomas Davis & Co for:		
- audit of the financial report of the company	14,080	13,640
- other services	-	-
Remuneration of Auditors	14,080	13,640
<b>16. Expenditure Commitments</b>		
Operating leases (non cancellable)		
Minimum lease payments		
- not later than one year	118,806	115,557
- later than one year and not later than five years	334,214	453,020
- later than five years	-	-
Expenditure Commitments	453,020	568,577
These commitments represent payments due under non-cancellable operating leases that have not been recognised as liabilities in the current financial year.		
<b>17. Related Party Disclosure</b>		
The directors of the Australian Wool Exchange Limited during the financial year were:		
R.A.Farrar	M.J.Moses	
R.W.Amos	R.D.Pietsch	
D.R.Belgre	C.Turner (Resigned 27/2/2007)	
I.K.McIvor (Resigned 17/11/2006)	D.M.Watt (Resigned 17/11/2006,	
D.J.Nancarrow (Resigned 17/11/2006)	Reappointed 25/1/2007)	
D.R.Michell (Resigned 17 /11/2006)		
Alternate directors were: D.R.Hamblin, D.A.MacDonald,		
D.J.Nancarrow, W.Lempriere (Resigned 17/11/2006)		

for the year ended 30 June 2007

Notes	2007	2006
	\$	\$
<b>17. Related Party Disclosure <small>contd</small>.</b>		
Director and Director-related entity Transactions		
A number of the directors are directors of entities which transact with the company. The directors involved are:		
R.W.Amos            D.R.Belgre            C.Turner            I.K.Mclvor D.R.Michell        M.J.Moses            D.J.Nancarrow      R.D.Pietsch		
The company receives 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.		
Aggregate amounts of these transactions are as follows:		
Income		
Joining, subscription and trading fees	180,815	353,715
Selling facility fees	127,860	118,804
EDI Network fees and Market Reports	92,641	153,032
Sample Site and Showfloor charges	-	19,625
Other	49,205	94,607
	<b>450,521</b>	<b>739,783</b>
<b>18. Segment Information</b>		
The company operated predominantly in one industry, being the Australian Wool Industry.		

for the year ended 30 June 2007

## 19. Reconciliation of operating profit from ordinary activities after income tax to net cash from operating activities

	Notes	2007 June	2006 June
		\$	\$
Profit from ordinary activities		54,308	39,446
Depreciation and amortisation		364,507	450,569
Increase/(Decrease) in Other Provisions		36,772	(242,634)
(Profit)/Loss on disposal of plant and equipment		(761)	110,291
Decrease/(Increase) in trade and other debtors		78,414	(104,888)
Decrease/(Increase) in other debtors and prepayments		30,304	(25,584)
Decrease/(Increase) in trade creditors, accruals and unearned income		1,203,780	(951,983)
Net cash Inflows/(Outflows) from operating activities		1,767,324	(724,783)

### Financing arrangements

Payroll facility		50,000	50,000
Used at balance date		-	-
Unused at balance date		50,000	50,000

## 20. 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		537,844	723,338
Additions		254,166	375,698
Disposals (net)		-	(110,623)
Depreciation Expense		(364,507)	(450,569)
Carrying amount at end of the period		427,503	537,844

for the year ended 30 June 2007

Notes	2007 June	2006 June
	\$	\$
<b>21. Financial Instruments</b>		
(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 and cash equivalents	6,458,934	4,945,015
Weighted Average Effective Interest Rate	6.25%	5.80%
Trade Debtors & Other Receivables	387,459	465,873
Weighted Average Effective Interest Rate	N/A	N/A
Other Assets	87,197	117,501
Weighted Average Effective Interest Rate	N/A	N/A
<b>Total Financial Assets</b>	<b>6,933,590</b>	<b>5,528,389</b>
Financial Liabilities		
Trade Creditors and other payables	292,163	522,906
Weighted Average Effective Interest Rate	N/A	N/A
<b>Total Financial Liabilities</b>	<b>292,163</b>	<b>522,906</b>

(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.

## 22. Contingent Liabilities

The company has provided a bank guarantee in respect of rental obligations to the value of \$89,218 (2006: \$89,218).

## 23. Accounting Standards

The following Australian Accounting Standards issued or amended which are applicable to the Company but are not yet effective. They have not been adopted in preparation of the financial statements at report date.

AASB Amendments	Standards Affected		Outline of Amendments	Applicable date for Standard	Applicable date for Group
AASB 2005 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The disclosure requirements of AASB 137 - Financial Instruments Disclosure and Presentation have been replaced due to the issuing of AASB 7 - Financial Instruments Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure statement.	1-Jan-07	1-Jul-07
	AASB 101	Presentation of Financial Statements			
	AASB 114	Segment Reporting			
	AASB 117	Leases			
	AASB 139	Financial Instruments: Recognition & Measurement			
AASB 7 Financial Instrument Disclosures	AASB 132	Financial Instruments: Disclosure and Presentation	As above	1-Jan-07	1-Jul-07

## Directors' Declaration

The Directors' of the company declare that:

1. the financial statements set out on pages 23 to 46:
  - 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 2007 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.



R A Farrar  
Chairman



D R Belgre  
Director

Melbourne 29th August 2007

## 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 balance sheet as at 30 June 2007, and the income statement, statement of changes in members' funds and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### 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. These Auditing 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 mis-statement.

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 judgment, including the assessment of the 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 and fair presentation of the financial report 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.

### Auditor's Opinion

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

- (a) giving a true and fair view of the Company's financial position as at 30 June, 2007 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



THOMAS DAVIS & CO.



P.L. WHITEMAN, Partner  
Chartered Accountants

SYDNEY, 29th August, 2007

Liability limited by a scheme approved under Professional Standards Legislation

## contacts



Australian Wool Exchange Limited

ABN 35 061 495 565

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