



Quality of service in action

Annual Report 2002

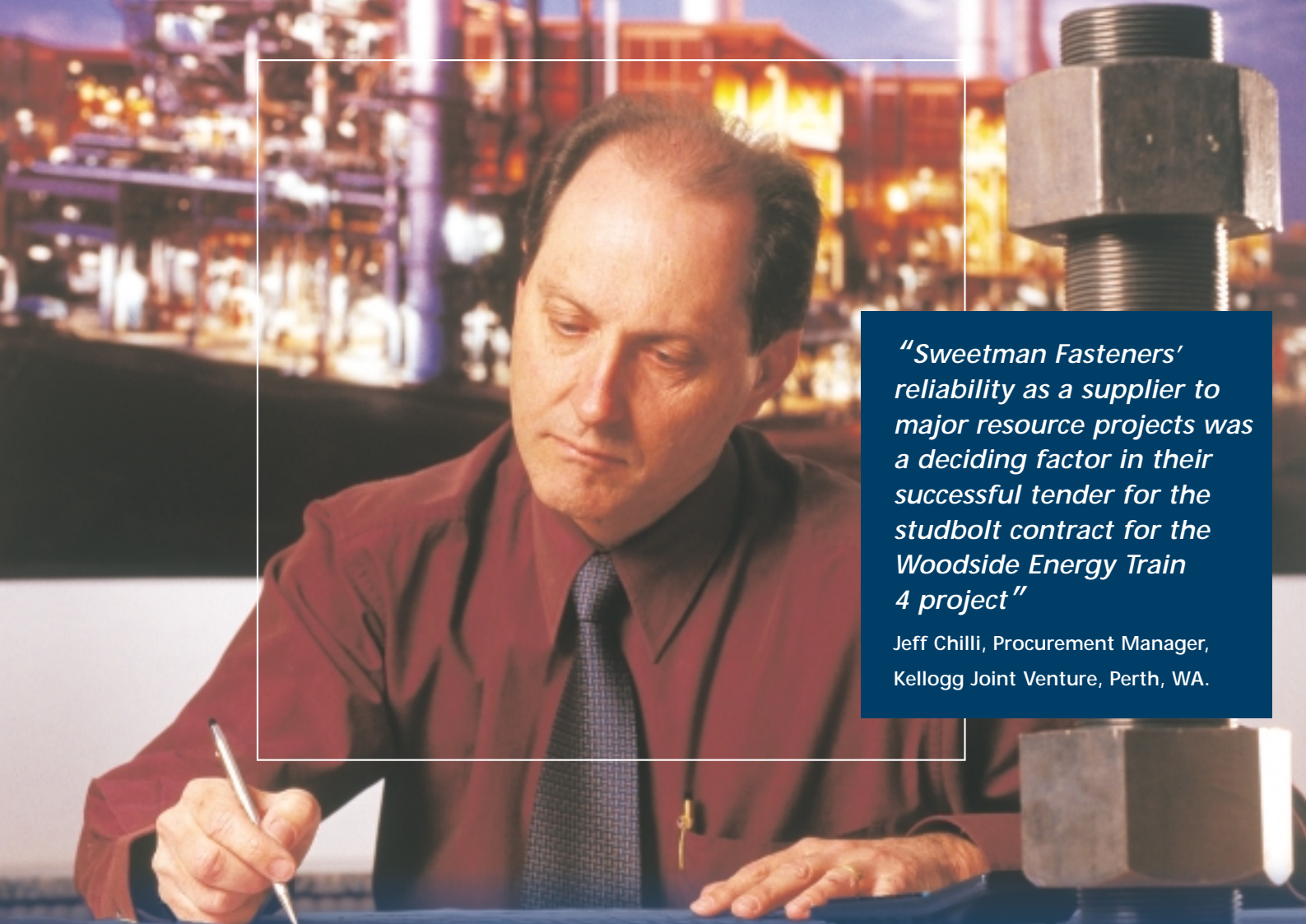


Coventry Group Ltd

ABN 37 008 670 102

CONTENTS

The Year in Brief	1
Corporate Profile	2
Five Year Financial Summary	2
Chairman's Letter	4
Chief Executive Officer's Review of Operations	6
Group Activities	12
Group Locations	14
Board of Directors	16
Financial Report - Detailed Index	17
Independent Auditor's Report	56
Shareholder Information	57
Investor Information	59
Corporate Directory	60
Financial Calendar	60



"Sweetman Fasteners' reliability as a supplier to major resource projects was a deciding factor in their successful tender for the studbolt contract for the Woodside Energy Train 4 project"

Jeff Chilli, Procurement Manager,
Kellogg Joint Venture, Perth, WA.

The year in BRIEF

Financial

- Sales revenue of \$394.5 million – an increase of 10% over the previous year. Total revenue exceeded the \$400 million mark for the first time at \$404.4 million.
- Net profit after tax of \$4.5 million – down 39% on last year.
- Significant items affecting the operating profit:
 - costs of \$2.7 million incurred in closing the Victorian activities of the controlled entity, Coventry Auto Parts Pty Ltd
 - a recoverable write down of \$0.8 million on land and buildings
- Strong segmental performance:
 - established automotive divisions in WA & SA recorded a net profit before tax of \$10.1 million – a 62% increase
 - industrial products division increased net profit before tax by 51% to \$12 million.
- Ordinary dividends totalled 20 cents per share, fully franked, for the year in review.
- Special dividend of 39.47 cents per share, fully franked, representing the final payment in respect of the Investment Company of the West Ltd liquidation.
- Earnings per share of 13.4 cents compared to 21.9 cents for the previous year.

Operational

- Launch of the Infix brand nationally, specializing in the distribution of fasteners for the construction sector.
- Execution of an agreement with CSR Emoleum (a partnership between CSR Limited and ExxonMobil) to establish a new, state of the art asphalt production sharing facility.

Corporate PROFILE

Coventry Group Ltd is a Western Australian based diversified industrial company with an annual turnover in excess of \$400 million.

Incorporated as a public company in 1936 and listed on the Australian Stock Exchange since 1966, Coventry Group operates in every Australian state and New Zealand through a network of over 129 branches, employing in excess of 1,900 people and has over 3,650 shareholders.

Our business interests are:

Activity Type	Product/Services
Automotive and Industrial Products Distribution	Automotive parts and accessories, mining and general industrial consumables, industrial and construction fasteners, bearings, power transmission products, lubrication products and systems, hoses and fittings, and hydraulic fluid systems.
Bitumen Products	Asphalt manufacture and application, road profiling, and manufacture and spraying of bituminous products.
Gasket Manufacturing	Manufacture and distribution of automotive and industrial gaskets.

We are constantly expanding our existing businesses and seeking new opportunities to enhance our long history of consistent growth and profitability.


Five Year FINANCIAL SUMMARY

FIVE YEAR REVIEW

		2002	2001	2000	1999	1998
Total revenue	\$M	404.4	390.9	352.4	326.1	283.7
Operating profit before tax	\$M	10.8	13.2	8.7	17.8	12.5
Operating profit after tax and outside equity interests	\$M	4.5	7.4	4.1	10.6	7.2
Shareholders' funds excluding outside equity interests	\$M	151.0	152.5	174.4	180.6	177.7
Net asset backing per share	\$	4.62	4.69	5.47	5.66	5.32
Dividend per share (excludes special dividends)	c	20	30	30	30	30
Earnings per share	c	13	22	12	31	21

HISTORICAL OVERVIEW

		2002	1997	1992	1987	1982
Shareholders' funds excluding outside equity interests	\$M	151.0	179.8	100.1	51.4	39.3
Operating profit before tax	\$M	10.8	20.1	15.8	10.9	6.2
Operating profit after tax and outside equity interests	\$M	4.5	12.9	8.2	5.5	3.5

A man in a blue polo shirt is working on a car engine in a workshop. He is using a tool to adjust a part of the engine. The background shows a red wall with many wrenches hanging on it.

"We have been a customer of Motor Traders since 1988. Their reliability and knowledgeable staff have helped me make my business stronger and more successful"

Tony Scali, Proprietor,
BPB Auto Repairs, Flinders Park, SA.

reliability

Chairman's LETTER



Dear Shareholder

On behalf of your directors, I present the annual report of Coventry Group Ltd to shareholders for the 2001/02 financial year.

FINANCIAL PERFORMANCE

The Group's sales revenue increased by 10% to \$394.5 million over the previous year, with total revenue of \$404.4 million.

However, profit after tax and outside equity interests of \$4.5 million was very disappointing as it reflects a drop of 39% on the previous year. Significant items impacted this profit result and the comparison with the previous year:

- for the 2002 financial year - costs of \$2.7 million incurred in closing the Victorian activities of the controlled entity Coventry Auto Parts Pty Ltd ("CAP"), and an expense of \$0.8 million from a recoverable amount write-down of land and buildings; and
- for the 2001 financial year - a pre-tax gain of \$5.4 million from the liquidation of Investment Company of the West Ltd, a pre-tax gain of \$0.7 million from the sale of land and buildings, and costs of \$0.9 million incurred in closing the Victorian activities of CAP.

On a positive note the Group's established businesses recorded significant increases in net profit before tax – the automotive divisions in Western Australia and South Australia achieved a 62% increase while industrial products recorded a 51% improvement.

The Chief Executive Officer's review of operations contains more details of the respective divisional trading activities and results.

The performance of CAP, with trading losses of \$7.2 million in this establishment phase, continues to be a drag on the Group's otherwise

healthy performance. This jointly owned venture with Ford Australia has been seriously undermined by Ford's decision not to pursue the business plan on which the venture was predicated. The result has been that Coventry Group has committed a considerable amount of capital to fund an operation which will now take much longer to reach profitability and an acceptable return on the funds we have invested.

However, the overall prospects of the Group for the 2002/03 financial year are encouraging.

The contribution of the automotive parts distribution business is expected to improve as a result of the anticipated reduction in losses incurred by CAP and from continued profit growth in Western Australia and South Australia. Favourable market conditions in the engineering and construction sectors in Australia, together with branch expansion in New Zealand, should present good growth opportunities for the industrial products distribution business.

DIVIDEND

The Board has declared a final dividend of 12 cents, fully franked, for each ordinary share (previous period – 15 cents). Together with the interim dividend of 8 cents, this brings total dividends for the year to 20 cents fully franked. This compares to 30 cents for the previous year. The dividend has been funded partly from retained profits of past years.

The final dividend will be paid on 27 September 2002. This is a significantly earlier date than previous years as a consequence of an amendment to the Company's constitution which now permits the directors to declare final dividends rather than seek approval at the Annual General Meeting in November.

In February 2002, a special interim dividend of 39.47 cents, fully franked, for each ordinary share was paid. This represented a further

payment to shareholders of the final proceeds received by the Company arising from the voluntary liquidation of Investment Company of the West Ltd.

STRATEGIC REVIEW

During the period under review, the Board appointed the consultancy firm, PWC Consulting, to assist in a strategic review of the Group. The brief involved a detailed analysis of the current activities of the Company as well as assisting the Board and management to develop a strategy for the future growth of Coventry Group. Phase one of the review has been completed and the next stage will commence shortly. I will keep you informed of developments in this area.

CORPORATE GOVERNANCE

In light of recent high profile corporate collapses in both Australia and USA, there has been an increased focus on corporate governance with respect to listed public companies. The Board is very mindful of its responsibilities in this regard. Our corporate governance statement which outlines the Company's current practices and policies is listed at page 23 of this Annual Report. I encourage you to read it. During the past year we reviewed a number of policies and formalised procedures relating to the directors, external audit, share trading and board committees. We will continue to review this area closely and refine policies and procedures in an endeavour to achieve best practice.

THE BOARD

During the period under review, the Board announced a number of changes in directors.

In October 2001, Graham Blackburn retired as an executive director. He was subsequently appointed an associate director and remains with the Company on a part time basis with executive responsibility for the Group's bitumen division.

We welcome the appointment of Roger Flynn as Mr Blackburn's replacement on the Board.

Mr Flynn, who resides in Melbourne, brings to the Group a wealth of broad management and board experience.

In July 2002, the Board announced the retirement of Barry Watson, the Group's Chief Executive Officer and Managing Director, which is expected to occur by 31 December 2002.

The Board records its sincere appreciation of the contribution made by Mr Watson in his capacity as a director of the Company since 1977 and for his 41 years of valuable and loyal service to the Group.

An international executive recruitment firm has been briefed in the search for a new chief executive officer.

During the year, the directors commissioned a survey by the international consultancy firm, Egon Zehnder, of the functions and effectiveness of the Board. The resultant findings and recommendations are currently being reviewed and where appropriate, changes will be implemented to improve the performance of your Board.

ACKNOWLEDGEMENTS

On behalf of the Board and the shareholders, I extend my thanks to the executive management team and employees who now total approximately 1900 throughout Australia and New Zealand. Their commitment and special efforts are greatly appreciated.

I also acknowledge and thank my fellow Board members for their support during a challenging year.



Warwick Kent, AO
Chairman

Chief Executive Officer's REVIEW OF OPERATIONS

It is pleasing to record that the established individual business segments within our Group have continued the strong performance which was evident in the half year report. However, our reported profit was heavily influenced by the trading losses of Coventry Auto Parts Pty Ltd (CAP) with a further consequence that those losses impacted on the Group's effective tax rate which was 65% (against the statutory rate of 30%).

A review of our four main operating segments follows:

mining industry together with the natural gas processing facilities on the North West Shelf. We continue to expand our trading base across Australia to ensure the ongoing maintenance of our position as a leader within this industry.

In our 2001 annual report we reported the acquisition of Hylton Parker Fasteners, a New Zealand business that commenced trading in 1967 and operated within both the North and South Islands. A solid contribution to revenue and profit for 2002 was in line with budget expectations and importantly, measured positively against the acquisition projection.

Establishment of the INFIX brand nationally offers opportunities for revenue growth and improved profit returns.



Industrial Products

Revenue associated with business units within this operating segment increased by 19% to \$157.0 million, with net profit before income tax increasing by 51% to \$12.0 million for the year.

Overall the established fastener (bolts and nuts) business enjoyed continued market support with major supply contracts being achieved within the

Costs were incurred at Hylton Parker during the review year as new computer facilities were introduced, some distribution centres re-furbished and additional branch outlets established. There remains strong potential to further gain the support of the available New Zealand market as we continue to bring the business fundamentals into line with Coventry standards, and to improve product range, customer service and staff product knowledge.

During the review year, the Group established across Australia the INFIX brand that offers specialised products and services to the construction fastener market. This business distributes the Ramset range of products and, as further expansion continues, we expect to enjoy further revenue growth together with the accompanying improved profit return.



"Dealing with Coventry Fluid Systems for all our hydraulic hose and fitting needs is so much simpler and more efficient thanks to a national supply agreement and an extensive product range tailored to our business needs"

Simone Nanovich, Purchasing Officer,
Henry Walker Eltin, Perth, WA.

product range

Chief Executive Officer's REVIEW OF OPERATIONS

Automotive

The established business units in Coventrys and Motor Traders recorded a 6% increase in revenue to \$192.1 million and a 62% increase in net profit before income tax to \$10.1 million. Net profit margins improved as a result of stronger gross profit returns together with tighter cost management controls.

There remains a strong indication that the market place welcomes the high standards of service and the comprehensive inventory supply base that remains the foundation of our ongoing strategy and philosophy. Staff are the most

To the date of this report, the positive trend, as previously indicated has been maintained into the new financial year.

The overall results of the automotive divisions, and therefore the Group, were negatively impacted by losses incurred by the controlled entity, CAP.

No further losses are anticipated from the closed CAP Victorian operations as all future commitments have been provided for. Revenue for CAP's New South Wales activities increased by 62% and for its Queensland operations the improvement registered 103%. The total CAP

Net profit margins improved as a result of stronger gross profit returns together with tighter cost management controls.



important element to our future, and we maintain a positive focus on staff training, development and promotional opportunities.

trading loss attributed to our Group was \$8.7 million. This includes \$2.4 million in respect to the closure of the Victorian operation.

A substantial reduction in losses associated with the CAP business activities in Queensland and New South Wales is expected for the 2003 financial year. CAP is budgeting to achieve a break-even result for the 2004 financial year.



"Comprehensive stock range, fast service and competitive pricing is why I have supported Coventry Auto Parts since day one of their opening"

Tim Smith, Manager,
Connolly Motors, Brisbane, Qld.

fast service

Chief Executive Officer's REVIEW OF OPERATIONS

Gasket Manufacturing

This business segment recorded a 4% increase in net profit before income tax to \$2.1 million, with revenue for the year increasing by 5% to \$14.9 million. The profit improvement was due to increased sales volume and costing efficiencies as net profit margins continued to remain stable in a competitive market. After tax profit improved by 12%.

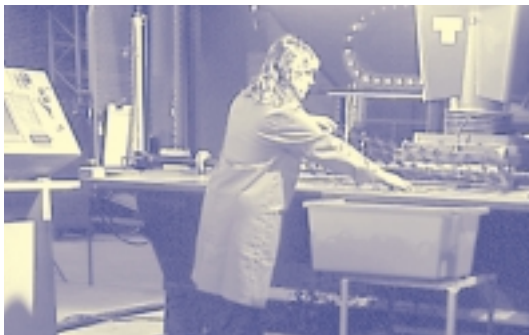
Rigid cost management, the ongoing introduction of manufacturing efficiencies together with new technology allows for our 2003 budget forecasts to show further profit improvement.

Bitumen Products

Long term shareholders would now fully appreciate that the unknown factor when predicting performance outcomes for both Hot Mix and Bitumen Emulsions is that of suitable weather conditions. Again within the review year, adverse weather, together with intense competition within the asphalt market, affected the final profit contribution to Group.

Total revenue for the year of \$14.9 million was 10% down on the previous corresponding period with the relating profit before income tax registering a fall of 14% to \$2.3 million.

Signing of a production sharing agreement with CSR Emoleum to establish a new, state of the art, asphalt plant.



We recently announced to the Australian Stock Exchange the signing of a production sharing agreement with CSR Emoleum to establish a new, state of the art, asphalt plant at Gosnells in Western Australia. The capital cost to Coventry will be \$2.1 million with annual operational cost savings expected to be approximately \$0.5 million. This factor, together with a strong forward order book, allows budget expectations for the year to June 2003 to register an improved profit contribution.

workmanship

"Service and quality of workmanship is why Hot Mix and Bitumen Emulsions have supplied us for the past 25 years"

Nick Sciorilli & Lino Savino,
Proprietors, Pave-Mix, Perth, WA.



INDUSTRIAL

Fasteners

Trading Names

- Coventry Fasteners - NSW
- Coventry Fasteners - VIC
- Coventry Fasteners - TAS
- Hylton Parker Fasteners- NZ
- Infix
- Queensland Fasteners
- Sweetman Fasteners
- Top End Fasteners
- Universal Fasteners SA

Major Activities

- Distribution and marketing of industrial and construction fasteners including bolts, nuts and screws.
- Distribution and marketing of general industrial products.

Significant Events 2001-2002

- Establishment of Infix as a national specialist distributor of construction fasteners.
- Expansion of the branch network of Hylton Parker Fasteners in New Zealand.
- Stronger net profit margin performance.
- Revenue growth as a result of securing large infrastructure project business.

Bearings

Trading Names

- Associated World Bearings
- AWB Bearings
- AWB Shutdown Services

Major Activities

- Distribution and marketing of industrial bearings and power transmission products.
- Supplier of turn key project management and engineering support.

Significant Events 2001-2002

- Expansion of the branch network in Queensland.

Fluid Systems

Trading Names

- Cooper Fluid Systems
- Coventry Fluid Systems

Major Activities

- Distribution of lubrication, hose & fittings products.
- Design and installation of lubrication and hydraulic fluid systems.

Significant Events 2001-2002

- Stronger revenue and EBIT performance.

AUTOMOTIVE

Trading Names

- Coventrys
- Motor Traders
- Drivetrain
- Coventry Auto Parts - NSW
- Coventry Auto Parts - QLD

Major Activities

- Distribution and marketing of automotive parts and accessories, tools and workshop equipment.
- Distribution of mining and general industrial consumables.
- Specialised transport and heavy haulage product suppliers.

Significant Events 2001-2002

- Strong revenue performance achieved by all business units, each recording growth over the previous year.
- Stronger EBIT performance by Coventrys (WA) and Motor Traders (SA).
- Successfully secured new supply contracts with major mining customers in Western Australia.
- Successful launch of web-based CGL online electronic parts catalogue and online ordering facility to trade account customers in all States.

GASKET MANUFACTURING

Trading Entities

- A A Gaskets Pty Ltd
- NZ Gaskets Ltd

Major Activities

- Manufacture and distribution of automotive and industrial gaskets.

Significant Events 2001-2002

- Improved production flows have been achieved by the relocation of key plant and equipment.
- Rationalisation of materials and processes to reduce production costs.
- Strong focus on range expansion for late model vehicles.

BITUMEN PRODUCTS

Trading Names

- Hot Mix

Major Activities

- Manufacture and application of asphalt.
- Road profiling contractors.
- Road maintenance.

Significant Events 2001-2002

- Signed an agreement with CSR Emoleum (a partnership between CSR Limited and ExxonMobil) to establish a new asphalt production sharing facility at CSR's Gosnells quarry site in Western Australia.
- Commissioned a new Wirtgen road profiler.

Trading Names

- Bitumen Emulsions

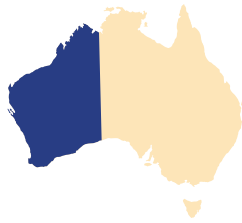
Major Activities

- Manufacture and spraying of bituminous products for road construction and environmental protection.
- Treatment of recreational and coloured surfaces.

Significant Events 2001-2002

- Maintained position of leading emulsion supplier to industry.
- Supplied materials and services for new Roe Highway extension.

Group LOCATIONS



Western Australia

Coventry

Albany
Belmont
Bunbury
Canning Vale
Cannington
Esperance
Fremantle
Geraldton
Kalgoorlie
Karratha
Kelmscott
Malaga
Mandurah
Merredin
Midland
Morley
Narrogin
Northam
Osborne Park
Port Hedland
Rockingham
Wanneroo

Coventry Fluid Systems

Morley

Drivetrain

Kewdale

Associated World Bearings

Bunbury
Canning Vale
Geraldton
Kalgoorlie
Karratha
Kwinana
Morley
O'Connor
Welshpool

Infix

Malaga

Sweetman Fasteners

Canning Vale
Balcatta
Bunbury
Kalgoorlie
Kwinana
O'Connor
Osborne Park
Welshpool

Hot Mix

Bitumen Emulsions

Cannington



South Australia

Motor Traders

Berri
Edwardstown
Hilton
Holden Hill
Kilburn
Kilkenny
Lonsdale
Mt Gambier
Norwood
Port Lincoln
Salisbury Plains

Universal Fasteners

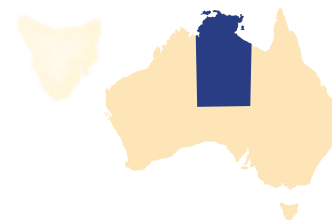
Kilburn
Lonsdale
Marleston
Mildura

Sweetman Fasteners

Edwardstown

Associated World Bearings

Kilburn



Northern Territory

Top End Fasteners

Winnellie

Infix

Alice Springs



Victoria

Coventry Fasteners

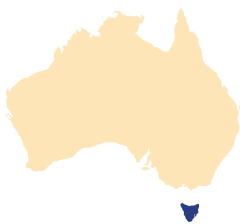
Abbotsford
Altona North
Bayswater
Braybrook
Campbellfield
Dandenong
Heidelberg
Geelong
Moorabbin
Shepparton
Wodonga

Infix

Clayton

AA Gaskets Pty Ltd

Campbellfield



Tasmania

Coventry Fasteners

Burnie
Hobart
Launceston



Queensland

Queensland Fasteners

Ashmore
Burleigh Heads
Cairns
Eagle Farm
Geebung
Gladstone
Mackay
Mt Isa
Slacks Creek
South Lismore
Townsville
Toowoomba
Wacol

AWB Bearings

Brisbane
Cairns
Rockhampton

Cooper Fluid Systems

Coopers Plains
Mackay
Townsville

Infix

Burleigh Heads
Maroochydore
Morningside

Coventry Auto Parts

Brendale
Buranda
Coopers Plains
Geebung
Enoggera
Morayfield
Springwood



New South Wales

Coventry Fasteners

Artarmon
Albury
Alexandria
Caringbah
Castle Hill
Minto
Wagga Wagga
Wetherill Park

Infix

Gosford
Orange
Wollongong

Coventry Auto Parts

Blacktown
Campbelltown
Liverpool
Mascot
Penrith
Smithfield



New Zealand

NZ Gaskets Ltd

Avondale

Hylton Parker Fasteners Ltd

Christchurch
Dunedin
Grafton
Mairangi Bay
Mt Wellington
Nelson
Wellington

Board of DIRECTORS



Warwick Gordon Kent

AO, Cit. WA, FAICD

Non-executive Chairman; member of remuneration committee until September 2002; member of audit committee from September 2002; age 66

Mr. Kent was appointed a director on 1 July 2001 and became Chairman of the Company in November 2001. He is a former senior executive of Westpac Banking Corporation and was Managing Director and Deputy Chairman of Bank of Western Australia Limited for eight years until his retirement in 1997. He is Chairman of West Australian Newspaper Holdings Ltd and is a director of Commonwealth Bank of Australia and Perpetual Trustees Australia Limited. He is a former director of SGIO Insurance Ltd and Colonial Limited. Mr Kent is a past President of WA Division of the Australian Institute of Company Directors.



Brian Arthur Goddard

FAIM, FAICD

Non-executive Deputy Chairman; member of audit committee; age 66

Mr. Goddard has been a director since 1977. He joined the Company in 1960 and was a senior executive becoming joint managing director in 1989 until his retirement in 1997. He is on the board of a number of the Company's controlled entities and is also a director of Associated Newsagents (WA) Cooperative Ltd.



Barry Robert Watson

FCIS, CPA, FAIM, FAICD

Chief Executive Officer and Managing Director; age 63

Mr. Watson has been a director since 1977. He joined the Company in 1961, became joint managing director in 1989 and has been Chief Executive Officer since 1997.

Roger Baden Flynn

B.ENG (HONS), MBA, FIE (Aust)

Non-executive director; member of remuneration committee from September 2002; age 52

Mr. Flynn was appointed a director of the Company on 12 October 2001 following the retirement of Mr. G W Blackburn. Mr. Flynn has had broad senior management experience in primarily metal based industries in the US, Australia and Asia and has worked for BHP and Alcoa. He was General Manager of Pacific Dunlop's Olex Australia cable division and Managing Director of Siddons Ramset Limited for 7 years until 1999. His other directorships include Wattyl Limited, Hills Industries Limited and Hartec Limited. Mr. Flynn resides in Melbourne.

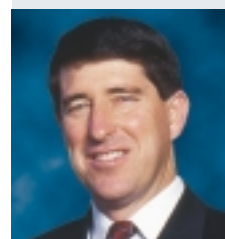


Clifford Maxwell Kyle

B.COM, DIPCM, FCIS, FAICD

Non-executive director; member of audit and remuneration committees; age 46

Mr. Kyle joined the Company in 1979 and was appointed a director in 1990. Whilst an employee of the Company he was a senior executive with responsibilities in accounting, corporate services and administration until his resignation in December 1998.

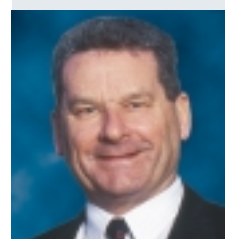


Peter Arthur Kyle

MA (OXON), LLB (WA)

Non-executive director; Chairman of audit committee; age 57

Mr. Kyle was appointed a director in. He is a solicitor in private practice with particular expertise and experience in local government affairs.

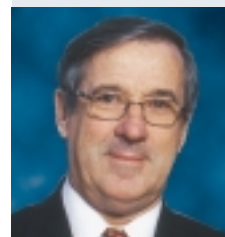


Ross Malcolm McLean

B.ECONS (HONS)

Non-executive director; Chairman of remuneration committee; age 58

Mr. McLean was appointed a director in 1995. He is currently Deputy Chief Executive of the Chamber of Commerce and Industry of Western Australia. He is also a director of the Australian Broadcasting Corporation and a member of the Board of Management of the WA Municipal Workcare & Municipal Liability Self Insurance Schemes.



The background of the page features a faded, blue-tinted photograph of a manufacturing environment. In the upper left, a male worker in a light-colored shirt is focused on assembling or inspecting a large, complex metal engine component. To his right, a female worker with dark hair tied back is also working on a similar part. In the lower foreground, two men are seated at a desk; one is looking down at a document while the other, wearing a watch, looks towards the camera with a slight smile. The overall scene conveys a sense of industrial activity and professional collaboration.

Financial REPORT

for the year ended 30 June 2002

CONTENTS

	Page
Directors' report	18
Corporate governance statement	23
Statement of financial performance	25
Statement of financial position	26
Statement of cash flows	27
Notes to and forming part of the financial statements	
1. Statement of accounting policies	28
2. Revenues	31
3. Operating profit	32
4. Income tax	33
5. Individually significant items	34
6. Remuneration and retirement benefits	35
7. Remuneration of auditors	36
8. Dividends paid and proposed	37
9. Earnings per share	38
10. Cash assets	38
11. Notes to the statement of cash flows	38
12. Receivables	40
13. Inventories	40
14. Other financial assets	40
15. Investments in controlled entities	41
16. Property, plant and equipment	41
17. Tax assets	43
18. Intangible assets	43
19. Other assets	43
20. Payables	43
21. Interest-bearing liabilities	43
22. Tax liabilities	44
23. Provisions	44
24. Other liabilities	45
25. Contributed equity	45
26. Reserves and retained profits	45
27. Outside equity interests in controlled entities	46
28. Equity	47
29. Financial instruments	47
30. Capital and leasing commitments	50
31. Events subsequent to balance date	50
32. Related party transactions	51
33. Segment reporting	52
34. Superannuation commitments	54
Directors' declaration	55

Directors' REPORT

The directors present their report on the financial statements of the consolidated entity consisting of Coventry Group Ltd (the Company) and its controlled entities for the year ended 30 June 2002.

1. Directors

Information on Directors

The directors of the Company at any time during or since the end of the financial year and up to the date of this report are:

Warwick Gordon Kent, AO - Chairman
 Brian Arthur Goddard - Deputy Chairman
 Barry Robert Watson - Managing Director
 Graham Walter Blackburn (resigned on 12 October 2001)
 Roger Baden Flynn (appointed on 12 October 2001)
 Clifford Maxwell Kyle
 Peter Arthur Kyle
 Ross Malcolm McLean

Particulars of their qualifications, experience and special responsibilities are set out on page 16 of the Annual Report.

Directors' Interests in Shares

As at the date of this report particulars of the relevant interest of each director in the shares of the Company are as follows:

	Number of Ordinary Shares
W G Kent	30,074
B A Goddard	77,244
B R Watson	66,883
R B Flynn	250
C M Kyle	203,898
P A Kyle	5,184
R M McLean	13,000

During the 2001/02 financial year and as at the date of this report no director has declared any interest in a contract or proposed contract with the Company, the nature of which would be required to be reported in accordance with subsection 300(11)(d) of the Corporations Act 2001, except as follows:

Mr B R Watson entered into a contract with the Company on 30 July 2002 with respect to his retirement which entitles him to a benefit upon retirement of approximately \$511,000. Mr Watson's retirement is expected to occur on or before 31 December 2002.

Directors' Meetings

The following table sets out the number of meetings of the Company's board of directors and each board committee, held during the year ended 30 June 2002, and the number of meetings attended by each director.

	Board of Directors		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
W G Kent	15	15	-	-	3	3
B A Goddard	15	15	3	3	-	-
B R Watson	15	15	-	-	-	-
G W Blackburn	6	6	-	-	-	-
R B Flynn	9	9	-	-	-	-
C M Kyle	15	15	3	3	3	3
P A Kyle	15	13	3	3	-	-
R M McLean	15	12	-	-	3	3

Note: Directors may pass resolutions in writing without a formal meeting being convened. Such resolutions are deemed by the Company's Constitution to be meetings. The above table does not include such deemed meetings.

Directors' REPORT

2. Principal activities

The principal activities of the consolidated entity during the financial year were:

- the distribution of:
 - automotive parts, tools, workshop equipment and associated products
 - fasteners, bearings, fluid systems, mining and industrial products
- the manufacture and laying of bitumen, asphalt and associated products
- the manufacture and distribution of automotive and industrial gaskets

3. Consolidated results

Results of the consolidated entity for the year ended 30 June 2002 were as follows:

	2002	2001
	\$000	\$000
Revenue from ordinary activities	404,376	390,887
Profit from ordinary activities before income tax	10,842	13,198
Income tax	7,059	6,048
Profit from ordinary activities after income tax	3,783	7,150
Operating loss attributable to outside equity interests	753	258
Net profit attributable to members of Coventry Group Ltd	4,536	7,408

4. Dividends

The directors have declared a final dividend of 12 cents, fully franked, for each ordinary share for the year ended 30 June 2002. The dividend will be paid on 27 September 2002.

An interim dividend of 8 cents, fully franked, for each ordinary share was declared by the directors on 6 March 2002 and paid on 13 May 2002.

As foreshadowed in the Directors' Report dated 4 September 2001, the directors declared, on 24 January 2002, a special interim dividend of 39.47 cents, fully franked, for each ordinary share. The special dividend was paid on 22 February 2002 and represented a further payment to shareholders of the final proceeds received by the Company arising from the voluntary liquidation of Investment Company of the West Ltd (ICW).

The payment of the final dividend will bring the total dividend on ordinary shares to 59.47 cents for each share for the year ended 30 June 2002.

For the year ended 30 June 2001, the final dividend of 15 cents for each ordinary share referred to in the Directors' Report dated 4 September 2001 was approved by shareholders and paid on 1 November 2001.

5. Review of operations

A review of the consolidated entity's operations for the financial year and the result of those operations are contained in pages 1 to 16 of the Annual Report and in particular in the Chief Executive Officer's review section.

6. Earnings per share

Earnings per share for the year ended 30 June 2002 was 13.4 cents. This compares to 21.9 cents for the previous year.

7. Significant change in the company's affairs

The directors are not aware of any significant change in the consolidated entity's state of affairs that occurred during the financial year not otherwise disclosed in this report or the consolidated accounts.

8. After balance date events

On 19 July 2002, the Company announced that it had signed an agreement with CSR Emoleum (a partnership between CSR Limited and ExxonMobil) to establish an asphalt production sharing facility in Western Australia.

Under this arrangement the Group's bitumen division, Hot Mix, will establish a new asphalt production facility at CSR's Gosnells quarry site at a cost of \$2.1 million which is expected to be operational from February 2003.

Directors' REPORT

On 30 July 2002, the Company announced that Mr B R Watson, the Group's Chief Executive Officer and Managing Director intended to retire as soon as a successor could be appointed. It is expected that this will occur on or before 31 December 2002.

The directors are not aware of any other matter or circumstance having arisen since the end of the financial year that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations;
- (b) the results of those operations; or
- (c) the consolidated entity's state of affairs

in subsequent financial years.

9. Future developments and results

The consolidated entity will continue to evaluate and look for opportunities to grow its business by expansion of its branch network. It will actively pursue strategic acquisitions if they fit with the core business of the consolidated entity and have the potential to increase and maximise shareholder wealth.

In the opinion of directors it would be prejudicial to the consolidated entity's interests if any further information on likely developments and expected results of operations was included in this report.

10. Directors' and senior executives' emoluments

The aggregate amount of remuneration of the directors is set and approved by the shareholders from time to time, which is based on a recommendation from the Board. In the event that the Board seeks shareholder approval to amend the total remuneration payable, external professional advice may be sought.

At the Company's last annual general meeting held on 1 November 2001, shareholders approved an increase in directors' fees from \$185,000 per annum to \$350,000 per annum with effect from the commencement of the 2001/02 financial year of the Company.

The Board determines the allocation of the maximum amount approved by shareholders amongst the respective directors, having regard to their duties and responsibilities. Directors' fees are not directly linked to Company performance nor are bonuses paid to non-executive directors.

The Board has a Remuneration Committee consisting of three non-executive directors. Its responsibility is to consider and review the remuneration of the Chief Executive Officer, Executive Directors and senior executives of the Company and make recommendations to the Board. The Committee's role also includes the review of non-executive directors' fees. Generally the objective is to ensure that the remuneration of senior executives properly reflects their duties and responsibilities and is competitive in retaining and motivating people of high calibre.

The following table details the nature and amount of each element of the emoluments of each director and each of the five executive officers receiving the highest emoluments.

Directors' REPORT

	Salary (a)	Directors' Fees	Superannuation Contributions	Total
Directors				
(Coventry Group Ltd)				
<i>(Non Executive Directors)</i>				
W G Kent	-	84,000	6,720	90,720
B A Goddard	-	62,000 (b)	4,960	66,960
R B Flynn (c)	-	36,005	2,880	38,885
C M Kyle	-	42,000	3,360	45,360
P A Kyle	-	42,000	3,360	45,360
R M McLean	-	42,000	3,360	45,360
<i>(Executive Directors)</i>				
B R Watson	495,212	20,000 (b)	10,403	525,615
G W Blackburn (d)	96,911 (e)	-	5,681	102,592
(Consolidated Entity)				
Emoluments of directors of the consolidated entity not mentioned above:				
T J Read	-	20,000	1,600	21,600
Executive officers				
(Coventry Group Ltd)				
V Scidone	260,373	-	8,803	269,176
D J Fraser	229,489	-	8,803	238,292
EV Currell	166,031	-	8,803	174,834
R A Watson	151,857	-	8,803	160,660
(Consolidated Entity)				
Emoluments of executive officers of the consolidated entity not mentioned above:				
K S Lee	140,357	-	9,456	149,813

(a) comprises cash salary and value of fringe benefits.

(b) includes directors' fees paid by a controlled entity.

(c) Mr R B Flynn was appointed a director on 12 October 2001.

(d) Mr G W Blackburn resigned as a director on 12 October 2002. The amounts shown above include Mr Blackburn's emoluments during the period he was an executive director. Amounts received by him since 12 October 2002 in his part time position as Manager, Bitumen Products, totalling \$97,348 are excluded. The excluded amounts are made up of salary - \$94,226 and superannuation contributions - \$3,122.

(e) includes an amount of \$25,889 being accrued leave entitlements which were paid to Mr Blackburn upon him ceasing to be a full time employee of the Company on 1 October 2001. Mr Blackburn's employment with the Company is now on a part time basis.

In addition to the emoluments listed above, Mr B A Goddard has received consulting fees of \$12,100 arising from work undertaken in connection with the Group's automotive division. The fees were based on normal commercial rates for consultants of appropriate expertise.

11. Environmental regulation

The consolidated entity is subject to environmental regulation in respect of its bitumen and asphalt manufacturing activities.

The Hot Mix division of the Company operates under a licence from the Environmental Protection Authority of Western Australia in relation to site emission controls. Plant management systems are in place to monitor and ensure compliance.

In April 2002, officers of the Department of Environmental Protection (DEP) conducted a plant and depot audit of Hot Mix's Cannington site in Western Australia. A number of minor deficiencies in meeting licence requirements were identified. The majority of these deficiencies have been addressed and rectified. Hot Mix has advised the DEP, in its application to renew its licence in August 2002, that it proposes to close the Cannington plant in March 2003, as

Directors' REPORT

part of an agreement entered into with CSR Emoleum to establish an asphalt production sharing facility at CSR Ltd's Gosnells quarry. As a consequence, Hot Mix will relinquish its Cannington licence and remove the asphalt manufacturing plant.

The Hot Mix and Bitumen Emulsions divisions also comply with the dangerous goods code. Accordingly, the divisions have an ongoing programme for the licensing and inspection of its transport vehicles for the carriage of dangerous goods. Both divisions hold and comply with a licence issued by the Department of Minerals and Energy in Western Australia in relation to the storage of bituminous products. The Hot Mix division has also been included on the National Pollution Index which has been established to monitor emissions into the environment.

The consolidated entity is not subject to any other specific environmental regulation.

The consolidated entity mainly operates warehousing and distribution facilities throughout Australia which have general obligations under environmental legislation of the respective state and local government authorities in relation to pollution prevention.

For the financial year ended 30 June 2002 and as at the date of this report, the consolidated entity has not been prosecuted nor incurred any infringement penalty for environmental incidents.

12. Insurance of officers

During the financial year the Company has paid premiums in respect of contracts insuring the directors and officers of the company against certain liabilities incurred in those capacities. The contracts prohibit further disclosure of the nature of the liabilities and the amounts of the premiums.

13. Options

The Company has not issued any options over unissued shares.

14. Rounding off

The Company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of the directors.



W G Kent
Director



B R Watson
Director

Perth
4 September 2002

Corporate

GOVERNANCE STATEMENT

Board of Directors

(i) Role & Responsibilities

The Board's primary role is to establish the fundamental objectives of the Coventry Group and its long term performance goals, to approve the plans developed by management and to review their progress in achieving these goals. At the same time the Board must ensure that the Group observes the highest standards of corporate governance and at all times acts in the best interests of its shareholders and other key stakeholders.

Responsibility for management of Coventry Group's business activities is delegated to the Managing Director who is accountable to the Board.

During the period under review, external consultants, Egon Zehnder International, were commissioned to undertake a survey of the functions and effectiveness of the Board. The results are currently being reviewed and changes will be implemented where appropriate.

(ii) Composition

The Board of Directors presently consists of seven members, the maximum allowable under the Company's constitution.

All Board members are non-executive except for the Managing Director.

During the period under review, the position of Chairman of the Board was filled by a non-executive director.

The Board does not have a nomination committee to determine Board membership. All directors have input into consideration of the appropriate mix of skills and expertise required to ensure the best interests of the Group are served and in the appointment of new directors when vacancies occur. Assistance of appropriate external expertise will be obtained when required.

(iii) Term of Office

The Board adopted the following policy in September 2002.

Subject to circumstances prevailing at the time and the Company's ability to find a suitable replacement, a director shall retire from the Board no later than the earlier of:

- the conclusion of the annual general meeting occurring after the twelfth anniversary of the director's first appointment or election to the board; or
- the conclusion of the annual general meeting occurring immediately after the director's seventieth birthday.

For the purpose of calculating the term of a director who is in office at the time of adoption of this policy by the Board, a director who has been in office for a period longer than seven years will be deemed to have been in office for a period of seven years only and will agree not to seek re-election to the Board after having served a further five years.

The Board may consider variations to this policy in exceptional circumstances.

(iv) Independent Professional Advice

Directors have the right to obtain independent professional advice on company related matters, at the company's expense, providing the expense is reasonable and the prior approval of the Chairman is obtained.

Committees

The Board has established the following committees, comprising only non-executive directors, to assist in the discharge of its duties.

(i) Audit Committee

The members of the audit committee are:

- P A Kyle (Chairman)
- B A Goddard
- W G Kent (appointed as a member on 04.09.02)
- C M Kyle (appointed as a member on 09.08.01)

The Managing Director, internal and external auditors and the Chief Financial Officer attend meetings by invitation.

The Board has approved formal terms of reference for the audit committee which set out its objectives, composition, duties and responsibilities.

In general terms the objective of the Committee is to assist the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Group. This is achieved by:

- Reviewing the financial information prepared by management for presentation to shareholders and regulators;
- Considering the adequacy and effectiveness of the Group's administrative, operating and accounting controls as a means of ensuring that the Group's affairs are being conducted by management in compliance with legal, regulatory and policy requirements;
- Overseeing and assessing the quality of the audits conducted by both the Company's internal and external auditors;
- Maintaining, by scheduling regular meetings, open lines of communication among the Board, the internal auditors and the external auditors.

Among its specific responsibilities, the Committee recommends to the Board the appointment of the external auditor and the audit fee as well as reviewing the audit plans of the external and internal auditors.

The Committee usually meets four times a year and two of these meetings are timed to review the Group's half year and annual financial statements and associated Australian Stock Exchange releases. Both the audit committee and the Board meet with the external auditor in the absence of management.

The Committee's terms of reference can be viewed on the Group's website.

Corporate

GOVERNANCE STATEMENT

(ii) Remuneration Committee

The members of the remuneration committee are:

- RM McLean (Chairman)
- RB Flynn (appointed as a member of 04.09.02)
- WG Kent (member until 04.09.02)
- CM Kyle

During the year, the Board approved formal terms of reference for the Committee. The role of the Committee is to assist the Board in ensuring that appropriate and effective remuneration packages and policies are implemented for the Chief Executive Officer, Executive Directors (if any) and those executives who report directly to the Chief Executive Officer. The Committee also reviews non-executive directors remuneration.

The Committee is required to meet twice a year and at other times as the Chairman of the Committee directs. The Committee met 3 times during the year in review.

The Committee's terms of reference can be viewed on the Group's website.

External Audit

The Company's external audit firm is BDO. The firm has been the Company's external auditor since Coventry Group first listed in 1966.

BDO's audit engagement partner with respect to Coventry Group is Mr G F Brayshaw. He has been engagement partner since 1997. Recently the Board considered a number of issues concerning external audit and audit independence and particular attention was given to rotation of audit firms, rotation of engagement partners and other services provided by external audit firms to companies. In addressing these three key areas the Board made the following policy decisions:

- with respect to rotation of audit firms, while there is no mandatory requirement, the Company has decided to proceed with a competitive tender for external audit services, to be undertaken during the 2002/03 financial year. In view of the long association with BDO, the Board gave particular consideration to the question of auditor independence and satisfied itself that this had not been compromised. Accordingly, BDO will be amongst the firms invited to tender for the audit.
- on the issue of engagement partner rotation, the Company has adopted the policy that partners should be rotated on 5 year cycles.
- in relation to other services, the Company has adopted a policy of regular review of the supply of non-audit services provided by the external auditor. Other services currently provided by BDO comprise routine tax advice and compliance tax work.

A breakdown of total fees paid to BDO is shown on page 36 of the Annual Report.

Share Trading Policy

The Board has in place a specific share trading policy which applies to the directors and senior management of the Company.

The policy stipulates that directors and senior management are required to restrict their trading in Coventry Group securities to a period of four weeks commencing 48 hours after the release of the half year results, annual results or the annual general meeting, provided they are not in possession of price sensitive information that is not generally available to the market. Any proposed purchase or sale of securities must first be referred to the Chairman or Chief Executive Officer.

Continuous Disclosure

The Board is aware of the continuous disclosure obligations as imposed by the Australian Stock Exchange Listing Rules. The matter is continuously monitored by the Group's senior management and regularly reviewed by the Board as a standing agenda item.

Privacy

The Board has adopted a formal policy for the Group in compliance with the new privacy legislation which applies to private sector organisations.

The policy can be viewed on the Group's website.

Business Risk

While there is no formally structured policy, arrangements are in place to ensure that any areas of significant business risk are identified and appropriate measures taken to manage them.

There are a number of senior executives and management committees with access to the Board or Board members overseeing matters in relation to quality assurance, insurance risk assessment, occupational health and safety, affirmative action and equal opportunity.

The Group is currently undertaking a whole of business risk review in conjunction with its consultants, Marsh Pty Ltd.

Ethical and Corporate Standards

All directors and employees are expected to act with utmost integrity and objectivity at all times in the performance of their duties and endeavour to enhance the reputation of the Company. The Board demands compliance with statutory and regulatory requirements at all levels within the Group.

Statement of FINANCIAL PERFORMANCE

for the year ended 30 June 2002

	Note	Consolidated Entity		Parent Entity	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Revenue from ordinary activities	2	404,376	390,887	352,994	353,082
Cost of sales	3	(258,871)	(235,012)	(225,583)	(212,079)
Employee benefits expense		(77,689)	(74,934)	(67,170)	(64,441)
Depreciation and amortisation expenses	3	(8,152)	(7,337)	(6,787)	(6,738)
Borrowing costs	3	(2,268)	(1,892)	(2,267)	(1,883)
Occupancy costs		(8,306)	(6,720)	(5,377)	(4,814)
Book value of assets sold		(2,295)	(18,084)	(1,528)	(18,076)
Communication costs		(3,719)	(3,809)	(3,076)	(3,291)
Recoverable amount write-down	3	(836)	-	(9,495)	(8,100)
Other expenses from ordinary activities		(31,398)	(29,901)	(21,958)	(22,223)
Profit from ordinary activities before income tax expense		10,842	13,198	9,753	11,437
Income tax expense	4	(7,059)	(6,048)	(5,971)	(5,259)
Profit from ordinary activities after income tax expense		3,783	7,150	3,782	6,178
Net loss attributable to outside equity interest		753	258	-	-
Net profit attributable to members of Coventry Group Ltd		4,536	7,408	3,782	6,178
Net exchange differences on translation of financial statements of foreign controlled entities	26 (a)	663	110	-	-
Total revenues, expenses and valuation adjustments attributable to members of Coventry Group Ltd recognised directly in equity		663	110	-	-
Total changes in equity other than those resulting from transactions with owners as owners	28	5,199	7,518	3,782	6,178
Basic and diluted earnings per share	9	13.4 cents	21.9 cents		

The Statement of Financial Performance is to be read in conjunction with the accompanying notes to the financial statements.

Statement of FINANCIAL POSITION

as at 30 June 2002

		Consolidated Entity		Parent Entity	
		2002	2001	2002	2001
	Note	\$000	\$000	\$000	\$000
CURRENT ASSETS					
Cash assets	10	7,536	4,964	5,502	190
Receivables	12	62,269	62,607	56,114	57,602
Inventories	13	84,339	86,942	65,657	61,365
Other assets	19	1,056	1,708	1,075	1,500
TOTAL CURRENT ASSETS		155,200	156,221	128,348	120,657
NON-CURRENT ASSETS					
Other financial assets	14	-	-	26,783	35,442
Property, plant and equipment	16	65,059	67,911	58,632	60,950
Tax assets	17	4,048	3,653	3,659	3,406
Intangible assets	18	25,655	27,040	17,255	18,483
TOTAL NON-CURRENT ASSETS		94,762	98,604	106,329	118,281
TOTAL ASSETS		249,962	254,825	234,677	238,938
CURRENT LIABILITIES					
Payables	20	32,702	34,195	27,818	28,877
Interest-bearing liabilities	21	-	608	-	608
Tax liabilities	22	3,796	2,934	3,508	2,655
Provisions	23	11,315	26,156	10,826	24,583
TOTAL CURRENT LIABILITIES		47,813	63,893	42,152	56,723
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	21	43,219	30,126	43,219	30,126
Provisions	23	2,852	2,388	2,532	2,341
Other liabilities	24	186	-	-	-
TOTAL NON-CURRENT LIABILITIES		46,257	32,514	45,751	32,467
TOTAL LIABILITIES		94,070	96,407	87,903	89,190
NET ASSETS		155,892	158,418	146,774	149,748
EQUITY					
Contributed equity	25	87,242	87,242	87,242	87,242
Reserves	26 (a)	32,791	32,128	31,939	31,939
Retained profits	26 (b)	30,932	33,152	27,593	30,567
Total parent entity interest		150,965	152,522	146,774	149,748
Outside equity interest	27	4,927	5,896	-	-
TOTAL EQUITY	28	155,892	158,418	146,774	149,748

The Statement of Financial Position is to be read in conjunction with the accompanying notes to the financial statements.

Statement of CASH FLOWS

for the year ended 30 June 2002

	Note	Consolidated Entity		Parent Entity	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Cash Flows From Operating Activities:					
Receipts from customers		438,481	385,253	384,839	350,422
Refund of sales tax previously included in cost of inventories		-	7,234	-	6,309
Payments to suppliers and employees		(414,120)	(384,828)	(361,282)	(331,312)
Interest received		430	1,342	513	247
Dividend received		-	427	647	1,681
Interest and other costs of finance paid		(2,453)	(1,848)	(2,452)	(1,839)
Income tax paid		(6,620)	(5,610)	(5,370)	(4,664)
Net cash provided by operating activities	11 (b)	15,718	1,970	16,895	20,844
Cash Flows From Investing Activities:					
Proceeds from sale of property, plant and equipment		2,384	5,564	1,724	5,547
Proceeds from sale of investments		-	18,815	-	18,815
Proceeds from redemption of short-term investments		-	9,853	-	-
Payment for property, plant and equipment		(6,712)	(10,098)	(5,605)	(7,892)
Payment for investments		-	-	-	(12,829)
Repayment of advances to controlled entities		-	-	1,191	1,590
Advances to controlled entities		-	-	(321)	(4,720)
Advances to other entities		(16)	-	(16)	-
Repayment of advances to other entities		-	1	-	1
Payments for acquisition of businesses		-	(10,908)	-	(2,096)
Net cash (used in) provided by investing activities		(4,344)	13,227	(3,027)	(1,584)
Cash Flows From Financing Activities:					
Proceeds from borrowings		15,469	13,550	15,469	13,550
Repayment of borrowings		(2,350)	(15,500)	(2,350)	(15,500)
Dividends paid		(21,099)	(15,231)	(21,099)	(15,232)
Dividends paid to outside equity interests		(246)	(441)	-	-
Payment for share buy-back		-	(870)	-	(870)
Net cash used in financing activities		(8,226)	(18,492)	(7,980)	(18,052)
Net increase (decrease) in cash		3,148	(3,295)	5,888	1,208
Cash at the beginning of the financial year		4,388	7,683	(386)	(1,594)
Cash at the end of the financial year	11 (a)	7,536	4,388	5,502	(386)

The Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements.

Notes to and forming part of the financial statements for the year ended 30 June 2002

1 STATEMENT OF ACCOUNTING POLICIES

The financial statements form a general purpose financial report prepared in accordance with the requirements of Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The concept of accrual accounting has been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

The consolidated accounts comprise the accounts of Coventry Group Ltd and all of its controlled entities. A controlled entity is any entity controlled by Coventry Group Ltd. Control exists where Coventry Group Ltd has the ability to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Coventry Group Ltd to achieve the objectives of Coventry Group Ltd. A list of controlled entities is contained within Note 15 to the accounts.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, are eliminated on consolidation. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated Statement of Financial Performance and Statement of Financial Position respectively.

Where controlled entities have entered or left the consolidated entity during the year, their operating results are included from the date control is obtained or until the date control ceases.

(b) Revenue Recognition

Revenue from the sale of goods is recognised upon delivery of the goods to customers.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

(c) Income Tax

The consolidated entity adopts the liability method of tax effect accounting whereby the income tax expense shown in the Statement of Financial Performance is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income are brought to account either as a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefits.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and will comply with the conditions of deductibility imposed by the law.

Notes to and forming part of the financial statements

for the year ended 30 June 2002

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(d) Foreign Currency Transactions and Balances

Foreign currency transactions during the period are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable at balance date are converted at the rates of exchange ruling at that date. The gains or losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in operating profit before income tax as they arise.

The assets and liabilities of the foreign controlled entities which are self sustaining are translated at year-end rates and operating results are translated at the rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

(e) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken as at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the date of acquisition. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

A liability for restructuring costs is recognised as at the date of acquisition of an entity or part thereof when there is a demonstrable commitment to a restructuring of the acquired entity and a reliable estimate of the amount of the liability can be made.

(f) Receivables

Trade Debtors

Trade debtors are recognised when the risks and rewards of ownership of the underlying sales transactions have passed to customers. This event usually occurs on delivery of inventories to customers. Trade debtors are recorded at nominal amounts. Credit terms are 30 days. Collectability of overdue accounts is assessed on an ongoing basis. Specific provision is made for all doubtful accounts.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(h) Recoverable Amount of Non-Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in the net profit or loss in the reporting period in which the recoverable amount write down occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market determined, risk adjusted discount rate.

Notes to and forming part of the financial statements

for the year ended 30 June 2002

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(i) Depreciation of Property, Plant and Equipment

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their estimated useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired term of the lease or the estimated useful life of the improvements.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
- Plant and Equipment	5% - 40%
- Buildings	2%

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight line basis over their estimated useful lives, where it is likely that the consolidated entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(k) Intangibles

Goodwill

Where an entity or operation is acquired, the identifiable net assets are measured at fair value. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over 20 years, being the period the benefits are expected to arise. The cost of acquisition is discounted as described in Note 1(e) where settlement of any part of cash consideration is deferred.

(l) Trade and Other Creditors

These amounts represent unpaid liabilities for goods received by and services provided to the consolidated entity prior to the end of the financial year. The amounts are unsecured and are normally settled within 60 days.

(m) Interest-Bearing Liabilities

Loans are carried at their principal amounts which represent the present value of future cash flows associated with the servicing of the debt. Interest is recognised over the period it becomes due and is recorded as part of other debtors or other creditors.

(n) Derivative Financial Instruments

Interest Rate Swaps

The net amount receivable or payable under interest rate swap agreements is progressively brought to account over the period to settlement. The amount recognised is accounted for as an adjustment to interest and finance charges during the period and included in other debtors or other creditors at each reporting date.

When an interest rate swap is terminated early and the underlying hedged transactions are still expected to occur, the gains and losses arising on the swap upon its early termination continue to be deferred and are progressively brought to account over the period during which the hedged transactions are recognised.

When an interest rate swap is terminated early and the underlying hedge transactions are no longer expected to occur, the gains or losses arising upon its early termination are recognised in the Statement of Financial Performance as at the date of the termination.

Notes to and forming part of the financial statements

for the year ended 30 June 2002

1 STATEMENT OF ACCOUNTING POLICIES (continued)

(o) Employee Entitlements

Provision is made for the consolidated entity's liability for employee entitlements arising from services rendered by employees to balance date. These benefits include wages and salaries, annual leave and long service leave. Sick leave is non-vesting and has not been provided for. Employee entitlements expected to be settled within one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

The contributions made to superannuation funds by entities within the consolidated entity are charged against profits when due.

(p) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, deposits at call and money market investments which are readily convertible into cash.

(q) Rounding of Amounts

The consolidated entity and the parent entity have applied the relief available under ASIC Class Order 98/0100 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

(r) Comparative Information

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

	Note	Consolidated Entity		Parent Entity	
		2002	2001	2002	2001
		\$000	\$000	\$000	\$000
2 REVENUES					
Revenue from operating activities:					
Sales revenue		394,476	359,500	343,741	322,244
Discounts and rebates		5,698	4,661	5,325	4,356
Government subsidies and grants		72	53	-	-
Other		1,105	447	833	439
		401,351	364,661	349,899	327,039
Revenue from non-operating activities:					
Dividends	3 (b)	-	427	647	1,173
Interest	3 (b)	430	1,063	513	247
Proceeds on disposal of non-current assets		2,384	5,564	1,724	5,548
Distributions received from liquidation of Investment Company of the West Ltd		-	18,815	-	18,815
Rental income		211	357	211	260
		3,025	26,226	3,095	26,043
Total revenue		404,376	390,887	352,994	353,082

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
3 OPERATING PROFIT				
(a) Charging as an expense				
Cost of sales of goods	258,871	235,012	225,583	212,079
Interest paid/payable to:				
- other persons	2,268	1,892	2,267	1,883
Depreciation of non-current assets				
- buildings	571	575	541	545
- plant and equipment	5,894	5,665	5,018	5,026
Total depreciation	6,465	6,240	5,559	5,571
Amortisation of non-current assets				
- leased assets	-	2	-	2
- goodwill	1,687	1,095	1,228	1,165
Total amortisation	1,687	1,097	1,228	1,167
Total depreciation and amortisation	8,152	7,337	6,787	6,738
Provision for doubtful advance to controlled entity	-	-	2	78
Write-downs of non-current assets to recoverable amount:				
Other financial assets				
- shares in subsidiaries	-	-	8,659	8,100
Property plant and equipment				
- buildings	836	-	836	-
	836	-	9,495	8,100
Other provisions				
- loss on sub-lease	483	-	-	-
- warranty	6	-	5	-
- employee entitlements	740	775	772	472
- obsolete stock	1	(115)	-	-
Total other provisions	1,230	660	777	472
Net bad and doubtful debts expense	1,285	895	736	781
Rental expense on operating leases	7,546	6,041	4,476	3,938
(b) Crediting as income:				
Dividends from:				
- partly owned controlled entities	-	-	647	746
- other corporations	-	427	-	427
	-	427	647	1,173
Interest revenue from:				
- other persons	430	1,063	277	226
- wholly-owned controlled entities	-	-	236	21
	430	1,063	513	247
Net gain on disposal of assets:				
- investments	-	5,377	-	5,377
- property, plant and equipment	200	919	196	909
	200	6,296	196	6,286

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
4 INCOME TAX				
(a) The prima facie tax payable on the operating profit is reconciled to the income tax provided for in the accounts as follows:				
Prima facie tax payable on operating profit before income tax calculated at 30% (2001: 34%)	3,253	4,487	2,926	3,889
Tax effect of permanent differences:				
Add:				
- recoverable amount write-down on land and buildings	251	-	251	-
- depreciation of buildings	25	34	16	23
- amortisation of goodwill	506	387	368	396
- assessable dividend included in profit on sale of investments	-	1,690	-	1,690
- assessable profit on sale of property	2	-	2	-
- non deductible provision for loss on advance to controlled entity	-	-	-	26
- non deductible provision for loss on investment in controlled entity	-	-	2,598	2,754
- tax losses not brought to account	2,940	2,354	-	-
- adjustment for higher tax rate applicable to foreign controlled entity	48	-	-	-
- under-provision of income tax in prior year	30	-	3	-
- adjustment to future income tax benefit for change in company tax rate from 34% to 30%	-	795	-	454
- other non deductible expenses	14	28	11	26
	3,816	5,288	3,249	5,369
Less:				
- rebateable dividends	-	(1,534)	(194)	(1,788)
- non assessable profit on sale of investments	-	(1,711)	-	(1,711)
- non assessable profit on sale of property	-	(99)	-	(99)
- tax benefit on losses transferred from controlled entity	-	-	(10)	(307)
- other deductible items	-	(13)	-	(2)
- overprovision of income tax in prior year	-	(88)	-	(92)
- tax losses not previously brought to account	(10)	(282)	-	-
	(10)	(3,727)	(204)	(3,999)
Income tax expense attributable to operating profit before income tax	7,059	6,048	5,971	5,259

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Note	Consolidated Entity		Parent Entity	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
4 INCOME TAX (continued)					
(b) Income tax expense attributable to operating profit is made up of:					
Current income tax provision		7,424	5,906	6,221	5,148
Future income tax benefit		(395)	230	(253)	203
Under/(over) provision in prior year		30	(88)	3	(92)
		7,059	6,048	5,971	5,259
(c) Future income tax benefits not brought to account as assets:					
Tax losses – revenue		5,455	2,337	-	-
Tax losses – capital		490	500	-	-
		5,945	2,837	-	-
The taxation benefits of tax losses not brought to account will only be obtained if:					
(a) assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;					
(b) conditions for deductibility imposed by the law are complied with; and					
(c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.					
5 INDIVIDUALLY SIGNIFICANT ITEMS					
(a) Individually significant items included in profit from ordinary activities before income tax expense					
Profit on sale of land and buildings		(26)	(728)	(26)	(728)
Recoverable amount write-down of land and buildings	3 (a)	836	-	836	-
Cost of closing Victorian activities of Coventry Auto Parts Pty Ltd		2,725	868	-	-
Provision for loss on investment in Coventry Auto Parts Pty Ltd	3 (a)	-	-	8,659	8,100
Gain from distributions upon liquidation of Investment Company of the West Ltd	3 (b)	-	(5,377)	-	(5,377)
		3,535	(5,237)	9,469	1,995
(b) Individually significant item included in income tax expense					
Adjustment to future income tax benefit for change in company tax rate from 34% to 30%	4	-	795	-	454

Notes to and forming part of the financial statements

for the year ended 30 June 2002

		Consolidated Entity		Parent Entity	
		2002	2001	2002	2001
		\$000	\$000	\$000	\$000
5	INDIVIDUALLY SIGNIFICANT ITEMS				
	(continued)				
(c)	Individually significant item included in net profit attributable to members of Coventry Group Ltd				
	Increased share of brought forward and current year losses of Coventry Auto Parts Pty Ltd associated with increase in equity ownership (includes cost of closing Victorian activity above)	-	2,139	-	-
6	REMUNERATION AND RETIREMENT BENEFITS				
(a)	Directors' Remuneration				
	Income paid or payable to all directors of each entity in the consolidated entity by the entities of which they are directors and any related parties.	995	1,002		
	Income paid or payable to all directors of the parent entity by the parent entity and any related parties.			973	980
	Number of directors whose income from the parent entity and any related parties was within the following bands:			No.	No.
	\$30,000 - \$39,999			1	4
	\$40,000 - \$49,999			3	-
	\$60,000 - \$69,999			-	1
	\$70,000 - \$79,999			1	-
	\$90,000 - \$99,999			1	-
	\$100,000 - \$109,999			1	-
	\$260,000 - \$269,999			-	1
	\$500,000 - \$509,999			-	1
	\$520,000 - \$529,999			1	-
(b)	Executive Remuneration				
	Remuneration received or due and receivable by executive officers (including directors) of the consolidated entity, from all entities in the consolidated entity and any related parties, whose remuneration is \$100,000 or more.	4,179	3,906		
	Remuneration received or due and receivable by executive officers (including directors) of the parent entity, from the parent entity and any related parties, whose income is \$100,000 or more.			3,674	3,474

Notes to and forming part of the financial statements

for the year ended 30 June 2002

6 REMUNERATION AND RETIREMENT BENEFITS (continued)

Number of executive officers whose income was within the following bands:	Consolidated Entity		Parent Entity	
	2002 No.	2001 No.	2002 No.	2001 No.
\$100,000 - \$109,999	1	5	1	5
\$110,000 - \$119,999	7	5	5	4
\$120,000 - \$129,999	7	4	6	4
\$130,000 - \$139,999	3	3	3	3
\$140,000 - \$149,999	3	1	2	-
\$150,000 - \$159,999	-	1	-	1
\$160,000 - \$169,999	1	1	1	1
\$170,000 - \$179,999	1	1	1	-
\$190,000 - \$199,999	1	-	1	-
\$220,000 - \$229,999	-	1	-	1
\$230,000 - \$239,999	1	-	1	-
\$250,000 - \$259,999	-	1	-	1
\$260,000 - \$269,999	1	1	1	1
\$500,000 - \$509,999	-	1	-	1
\$520,000 - \$529,999	1	-	1	-

7 REMUNERATION OF AUDITORS

Remuneration of the auditor of the parent entity for:

- auditing or reviewing accounts	180	165	180	165
- other services	10	28	9	27
- other services provided by related practice of auditor	4	15	4	15
	194	208	193	207

Remuneration of the auditors of subsidiaries for:

- auditing or reviewing accounts	95	78	-	-
- other services	25	20	-	-
	120	98	-	-
	314	306	193	207

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Consolidated Entity		Parent Entity	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
8 DIVIDENDS PAID AND PROPOSED				
Ordinary Shares				
Interim dividend of 8 cents (2001: 15 cents) per share fully franked at 30% (2001: 34%) paid	2,703	5,066	2,703	5,066
Final dividend of 12 cents (2001: 15 cents) per share fully franked at 30% (2001: 34%) payable in September 2002	4,053	5,066	4,053	5,066
	6,756	10,132	6,756	10,132
Special dividend of 15 cents per share fully franked at 34% paid	-	5,066	-	5,066
Special dividend of 39.5 cents per share fully franked at 30% paid in February 2002	-	13,330	-	13,330
	-	18,396	-	18,396
	6,756	28,528	6,756	28,528
Franked Dividends				
Franking credits available for subsequent financial years	61,223	52,099	50,733	42,465

The above amounts represent the balances as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of a current tax liability
- franking debits that will arise from the payment of proposed dividends
- franking credits that will arise from the receipt of dividends receivable, and
- franking credits that may be prevented from being distributed in subsequent financial years.

From 1 July 2002, the New Business Tax System (Imputation) Act 2002 requires measurement of franking credits based on the amount of income tax paid, rather than the after tax profits.

As a result, the franking credits available were converted from \$61,223,000 (parent entity: \$50,733,000) to \$26,238,000 (parent entity: \$21,743,000) as at 1 July 2002.

This change in the basis of measurement does not change the value of franking credits to shareholders who may be entitled to franking credit benefits.

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Consolidated Entity	
	2002	2001
9 EARNINGS PER SHARE		
Basic and diluted earnings per share (cents)	13.4	21.9
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	33,774,406	33,887,831

As there are no potential ordinary shares on issue, basic and diluted earnings per share are the same.

	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
Note	\$000	\$000	\$000	\$000
10 CASH ASSETS				
Cash on hand	79	83	68	71
Cash deposits with banks	4,222	1,441	3,215	-
Short term money market deposits	3,235	3,440	2,219	119
	7,536	4,964	5,502	190

11 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	79	83	68	71
Cash deposits with banks	4,222	1,441	3,215	-
Short term money market deposits	3,235	3,440	2,219	119
Bank overdrafts	21 -	(576)	-	(576)
Balance per Statement of Cash Flows	7,536	4,388	5,502	(386)

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
11 NOTES TO THE STATEMENT OF CASH FLOWS (continued)				
(b) Reconciliation of cash flow from operating activities with operating profit after income tax				
Operating profit after income tax	3,783	7,150	3,782	6,178
Cash flows in operating activities but not in operating profit				
Dividend from controlled entity accounted for in prior year	-	-	-	507
Non-cash flows in operating profit				
Recoverable amount write-down of land and buildings	836	-	836	-
Amortisation of leased assets	-	2	-	2
Amortisation of goodwill	1,687	1,095	1,228	1,165
Depreciation	6,465	6,240	5,559	5,571
Transfers to provisions	378	1,569	9,450	9,697
Profits on sale of property, plant and equipment	(89)	(919)	(196)	(909)
Profit on sale of investment	-	(5,377)	-	(5,377)
Net exchange differences	366	120	-	-
Increase in tax payable	861	199	854	383
(Increase)/decrease in future income tax benefit	(395)	240	(253)	212
Changes in assets and liabilities				
(Decrease)/increase in trade and other debtors	602	(10,342)	1,223	(6,302)
(Increase)/decrease in prepayments	(185)	44	(185)	44
Decrease/(increase) in inventories	2,602	(4,001)	(4,292)	6,322
(Decrease)/increase in trade and other creditors	(1,193)	5,950	(1,111)	3,351
Cash flows from operating activities	15,718	1,970	16,895	20,844

Notes to and forming part of the financial statements

for the year ended 30 June 2002

Note	Consolidated Entity		Parent Entity	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
12 RECEIVABLES				
Current				
Trade debtors	61,493	60,908	51,481	51,833
Provision for doubtful debts	(1,860)	(1,442)	(1,198)	(1,180)
	59,633	59,466	50,283	50,653
Other debtors	2,636	3,141	1,882	2,128
Amounts receivable from:				
- wholly owned group	-	-	10,781	11,651
- provision for doubtful debts	-	-	(6,832)	(6,830)
	-	-	3,949	4,821
	62,269	62,607	56,114	57,602
13 INVENTORIES				
Current				
Raw materials at cost	981	948	-	-
Finished goods at cost	85,343	88,132	67,221	63,252
Provision for obsolescence	(1,985)	(2,138)	(1,564)	(1,887)
	83,358	85,994	65,657	61,365
	84,339	86,942	65,657	61,365
14 OTHER FINANCIAL ASSETS				
Non-current				
Investments comprise:				
Shares in subsidiaries	15			
- unlisted at cost	-	-	43,842	43,842
- provisions	-	-	(17,059)	(8,400)
	-	-	26,783	35,442

Notes to and forming part of the financial statements

for the year ended 30 June 2002

15 INVESTMENTS IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding		Cost of Parent Entity's Investment	
			2002	2001	2002	2001
			%	%	\$000	\$000
AA Gaskets Pty Ltd	Australia	Ordinary	73%	73%	4,713	4,713
Coventry Auto Parts Pty Ltd	Australia	Ordinary	88%	88%	34,000	34,000
GBSJ Pty Ltd (in liquidation)	Australia	Ordinary	100%	100%	-	-
Hylton Parker Fasteners Limited	New Zealand	Ordinary	100%	100%	4,829	4,829
NZ Gaskets Ltd*	New Zealand	Ordinary	73%	73%	-	-
ZZTXH Pty Ltd (in liquidation)	Australia	Ordinary	100%	100%	300	300
					43,842	43,842

The ultimate parent entity is Coventry Group Ltd.

* This company is a controlled entity of AA Gaskets Pty Ltd and operates in New Zealand.

16 PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

Freehold land

At cost	17,603	19,146	16,778	18,321
At recoverable amount	850	-	850	-
	18,453	19,146	17,628	18,321

Buildings

At cost	26,161	28,554	24,686	27,079
At recoverable amount	1,150	-	1,150	-
Less accumulated depreciation	(1,536)	(1,118)	(1,440)	(1,052)
	25,775	27,436	24,396	26,027
Total Land and Buildings	44,228	46,582	42,024	44,348

PLANT AND EQUIPMENT

At cost	52,119	48,543	43,354	39,993
Less accumulated depreciation	(31,325)	(27,369)	(26,746)	(23,452)
	20,794	21,174	16,608	16,541

Plant and equipment in the course of
construction

	37	94	-	-
Total Owned Plant and Equipment	20,831	21,268	16,608	16,541

Capitalised leased plant and equipment

At cost	-	63	-	63
Less accumulated amortisation	-	(2)	-	(2)
	-	61	-	61

Total Plant and Equipment	20,831	21,329	16,608	16,602
Total Property, Plant and Equipment	65,059	67,911	58,632	60,950

Valuations

The independent valuation of the consolidated entity's freehold land and buildings carried out as at March 2002 on the basis of open market values for continuing use resulted in a valuation of land of \$20,558,100 (the parent entity: \$19,388,100) and a valuation of buildings of \$27,176,900 (the parent entity: \$25,676,900).

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
16 PROPERTY, PLANT AND EQUIPMENT				
(continued)				
(a) Reconciliations				
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:				
Total Land				
Carrying amount at start of year	19,146	20,396	18,321	19,571
Additions	-	1,230	-	1,230
Disposals	(693)	(2,480)	(693)	(2,480)
Carrying amount at end of year	18,453	19,146	17,628	18,321
Total Buildings				
Carrying amount at start of year	27,436	28,504	26,027	27,065
Additions	55	846	55	846
Disposals	(309)	(1,339)	(309)	(1,339)
Depreciation	(571)	(575)	(541)	(545)
Recoverable amount write-down	(836)	-	(836)	-
Carrying amount at end of year	25,775	27,436	24,396	26,027
Total Owned Plant and Equipment				
Carrying amount at start of year	21,268	18,958	16,541	16,509
Additions	6,657	8,022	5,550	5,816
Disposals	(1,293)	(827)	(526)	(818)
Transferred from leased plant and equipment	61	-	61	-
Acquisitions through acquisitions of entities or operations	-	780	-	60
Foreign currency exchange differences	32	-	-	-
Depreciation	(5,894)	(5,665)	(5,018)	(5,026)
Carrying amount at end of year	20,831	21,268	16,608	16,541
Total Leased Plant and Equipment				
Carrying amount at start of year	61	-	61	-
Transferred to owned plant and equipment	(61)	-	(61)	-
Acquisitions through acquisitions of entities or operations	-	63	-	63
Amortisation	-	(2)	-	(2)
Carrying amount at end of year	-	61	-	61

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Note	Consolidated Entity		Parent Entity	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
17 TAX ASSETS					
Non-current					
Future income tax benefit		4,048	3,653	3,659	3,406
The future income tax benefit is made up of the following estimated tax benefits:					
- timing differences		4,048	3,653	3,659	3,406
18 INTANGIBLE ASSETS					
Goodwill at cost		35,762	35,828	25,697	26,081
Less accumulated amortisation		(10,107)	(8,788)	(8,442)	(7,598)
		25,655	27,040	17,255	18,483
19 OTHER ASSETS					
Current					
Prepayments		1,056	1,708	1,075	1,500
20 PAYABLES					
Current					
Unsecured liabilities:					
Trade creditors		29,556	32,028	25,594	27,185
Other creditors		3,146	2,167	2,224	1,692
		32,702	34,195	27,818	28,877
21 INTEREST-BEARING LIABILITIES					
Current					
Bank overdrafts - secured	11	-	576	-	576
Lease liabilities	30	-	32	-	32
		-	608	-	608
Non-current					
Bill acceptance facility - secured		43,219	30,100	43,219	30,100
Lease liabilities	30	-	26	-	26
		43,219	30,126	43,219	30,126

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Note	Consolidated Entity		Parent Entity	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
21 INTEREST-BEARING LIABILITIES					
(continued)					
(a) Facilities utilised at balance date					
Bank overdrafts		-	576	-	576
Bill acceptance facility		43,219	30,100	43,219	30,100
		43,219	30,676	43,219	30,676
(b) Facilities not utilised at balance date					
Bank overdrafts		5,000	5,124	5,000	5,124
Bill acceptance facility		6,781	9,900	6,781	9,900
		11,781	15,024	11,781	15,024
(c) Securities					
The bank overdraft and bill acceptance facility of the consolidated entity are secured by registered debentures over the assets and undertakings of the consolidated entity.					
The bill acceptance facility is subject to annual review.					
22 TAX LIABILITIES					
Current					
Income tax		3,796	2,934	3,508	2,655
23 PROVISIONS					
Current					
Dividends	8	4,053	18,396	4,053	18,396
Employee entitlements	(a)	7,217	6,892	6,768	6,187
Restructuring		-	868	-	-
Warranty		6	-	5	-
Surplus leased space		39	-	-	-
		11,315	26,156	10,826	24,583
Non-current					
Employee entitlements	(a)	2,808	2,388	2,532	2,341
Surplus leased space		44	-	-	-
		2,852	2,388	2,532	2,341
(a) Aggregate employee entitlement liability		10,025	9,280	9,300	8,528
(b) Employee numbers					
Number of employees at reporting date		1,923	1,979	1,614	1,590

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
24 OTHER LIABILITIES				
Non-current				
Other creditors	186	-	-	-

25 CONTRIBUTED EQUITY

(a) Share capital

	Note	Parent Entity		Parent Entity	
		2002	2001	2002	2001
		Number of Shares	Number of Shares	\$000	\$000
Ordinary shares					
Fully paid	(b)	33,774,406	33,774,406	87,242	87,242

(b) Terms and conditions of ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the parent entity, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
26 RESERVES AND RETAINED PROFITS				
(a) Reserves				
Asset realisation reserve	15,659	15,389	15,650	15,380
Asset revaluation reserve	16,431	16,701	16,289	16,559
Foreign currency translation reserve	701	38	-	-
	32,791	32,128	31,939	31,939

Movements during the year:

Asset realisation reserve				
Opening balance	15,389	13,074	15,380	13,065
Transfer from asset revaluation reserve	270	2,315	270	2,315
Closing balance	15,659	15,389	15,650	15,380
Asset revaluation reserve				
Opening balance	16,701	19,016	16,559	18,874
Transfer to asset realisation reserve	(270)	(2,315)	(270)	(2,315)
Closing balance	16,431	16,701	16,289	16,559
Foreign currency translation reserve				
Opening balance	38	(72)	-	-
Net exchange differences on translation of foreign controlled entities	692	114	-	-
Applicable to outside equity interests	(29)	(4)	-	-
Closing balance	701	38	-	-

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Note	Consolidated Entity		Parent Entity	
		2002	2001	2002	2001
		\$000	\$000	\$000	\$000
26 RESERVES AND RETAINED PROFITS					
(continued)					
(b) Retained profits					
Retained profits at the beginning of the financial year		33,152	24,872	30,567	23,517
Net profit attributable to members		4,536	7,408	3,782	6,178
Dividends provided for or paid	8	(6,756)	(28,528)	(6,756)	(28,528)
Transfer from general reserve		-	29,400	-	29,400
Retained profits at end of the financial year		30,932	33,152	27,593	30,567

(c) Nature and purpose of reserves

Asset Realisation

The asset realisation reserve includes revaluation increments previously included in the asset revaluation reserve, which have been realised upon the disposal of previously revalued non-current assets.

Asset Revaluation

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with AASB 1041. The balance of the reserve is not available for future asset write-downs as a result of the deemed cost election for land and buildings when adopting AASB 1041.

Foreign Currency Translation

The foreign currency translation reserve records the foreign currency differences arising from the translation of self-sustaining foreign operations.

	Consolidated Entity	
	2002	2001
	\$000	\$000
27 OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES		
Outside equity interest comprises:		
Share capital	3,969	3,969
Reserves	125	95
Retained profits	833	1,832
	4,927	5,896

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
28 EQUITY				
Total equity at the beginning of the financial year	158,418	185,969	149,748	172,968
Total changes in equity recognised in the Statement of Financial Performance	5,199	7,518	3,782	6,178
Transactions with owners as owners:				
Dividends provided for or paid	(6,756)	(28,528)	(6,756)	(28,528)
Share buy-back	-	(870)	-	(870)
Total changes in outside equity interest	(969)	(5,671)	-	-
Total equity at the end of the financial year	155,892	158,418	146,774	149,748

29 FINANCIAL INSTRUMENTS

(a) Off Balance Sheet Financial Instruments

The consolidated entity is a party to financial instruments with off balance sheet risk to hedge its exposure to fluctuations in interest rates.

Interest rate swap contracts

Commercial bills payable of the consolidated entity currently bear an average variable interest rate of 5.2%. It is policy to protect part of the bills payable from exposure to increasing rates. Accordingly, the consolidated entity has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The contracts are settled on a net basis every 90 days. Settlement dates coincide with the dates on which interest is payable on the underlying debt.

Swaps currently in place cover approximately 72% of the principal outstanding. The fixed interest rates range between 5.4% and 6.3%.

The notional principal amounts and expiry periods of the interest rate swaps are as follows:

	2002	2001
	\$000	\$000
One to two years	16,000	-
Two to five years	15,000	26,000
	31,000	26,000

Notes to and forming part of the financial statements

for the year ended 30 June 2002

29 FINANCIAL INSTRUMENTS (continued)

(b) Interest Rate Risk Exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

	Note	Weighted average interest rate	Floating interest rate \$000	1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non- Interest bearing \$000	Total \$000
30 June 2002								
Financial Assets								
Cash and deposits	10	4.29%	7,457	-	-	-	79	7,536
Receivables	12	9.00%	-	1,050	-	-	61,219	62,269
Other assets	19		-	-	-	-	1,056	1,056
			7,457	1,050	-	-	62,354	70,861
Financial Liabilities								
Trade and other creditors	20		-	-	-	-	32,702	32,702
Bills payable	21	5.20%	43,219	-	-	-	-	43,219
Other liabilities	24		-	-	-	-	186	186
Interest rate swaps (at notional principal amount)		6.17%	(31,000)	-	31,000	-	-	-
			12,219	-	31,000	-	32,888	76,107
Net financial (liabilities)/assets			(4,762)	1,050	(31,000)	-	29,466	(5,246)
30 June 2001								
Financial Assets								
Cash and deposits	10	4.58%	4,881	-	-	-	83	4,964
Receivables	12	9.00%	-	1,050	-	-	61,557	62,607
Other assets	19		-	-	-	-	1,708	1,708
			4,881	1,050	-	-	63,348	69,279
Financial Liabilities								
Bank overdrafts	21	8.25%	576	-	-	-	-	576
Trade and other creditors	20		-	-	-	-	34,195	34,195
Lease liabilities	21	8.50%	-	32	26	-	-	58
Bills payable	21	5.00%	30,100	-	-	-	-	30,100
Interest rate swaps (at notional principal amount)		6.20%	(26,000)	-	26,000	-	-	-
			4,676	32	26,026	-	34,195	64,929
Net financial assets/(liabilities)			205	1,018	(26,026)	-	29,153	4,350

Notes to and forming part of the financial statements

for the year ended 30 June 2002

29 FINANCIAL INSTRUMENTS (continued)

(c) Credit Risk Exposure

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligations, causing the consolidated entity to incur a financial loss.

On balance sheet financial instruments

The credit risk exposure of the consolidated entity to financial assets, excluding investments in shares, which have been recognised in the Statement of Financial Position is generally the carrying amounts, net of any provisions for doubtful debts.

Off balance sheet financial instruments

The credit risk exposure of the consolidated entity to off-balance sheet financial instruments, including derivatives, arises because of the risk that counter parties may not meet their obligations under their respective contracts at maturity. The consolidated entity attempts to minimise that risk by ensuring that counter parties are recognised financial intermediaries with AAA credit ratings.

(d) Net Fair Values of Financial Assets and Liabilities

The carrying amount of financial assets and financial liabilities recognised in the financial statements approximates their net fair values.

None of the consolidated entity's financial assets and financial liabilities are readily traded on organised markets in standardised form.

The net fair value of the consolidated entity's financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow theory.

The net fair value of financial instruments not recognised on the Statement of Financial Position at balance date is:

	2002 \$000	2001 \$000
Interest rate swaps	(211)	(112)

Notes to and forming part of the financial statements

for the year ended 30 June 2002

	Note	Consolidated Entity		Parent Entity	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
30 CAPITAL AND LEASING COMMITMENTS					
(a) Finance Lease Commitments Payable					
Not later than one year		-	36	-	36
Later than one year but not later than five years		-	27	-	27
Minimum lease payments		-	63	-	63
Less future finance charges		-	(5)	-	(5)
Total lease liability		-	58	-	58
Represented by:					
Current liability	21	-	32	-	32
Non-current liability	21	-	26	-	26
		-	58	-	58
(b) Operating Lease Commitments					
Non-cancellable operating leases contracted for but not capitalised in the financial statements:					
Not later than one year		6,147	5,843	3,261	3,522
Later than one year but not later than five years		11,056	10,417	4,819	4,617
Later than five years		442	910	55	174
		17,645	17,170	8,135	8,313
Less: Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases not recognised in the financial statements		(561)	-	-	-
		17,084	17,170	8,135	8,313
(c) Capital Expenditure Commitments					
Plant and equipment purchases					
Not later than one year		28	332	-	-
		28	332	-	-

31 EVENTS SUBSEQUENT TO BALANCE DATE

On 19 July 2002, Coventry Group Ltd entered into an agreement with CSR Emoleum (a partnership between CSR Limited and ExxonMobil) to establish an asphalt production sharing facility in Western Australia. Under this arrangement, Coventry Group Ltd is committed to capital expenditure of \$2.1 million, which is to be incurred in the financial year ending 30 June 2003.

On 30 July 2002, Coventry Group Ltd entered into a contract with its Managing Director, Mr B R Watson, in connection with his retirement. The contract requires the Company to pay a benefit to Mr Watson upon his retirement of approximately \$511,000. Mr Watson's retirement is expected to occur on or before 31 December 2002.

The financial effects of the above transactions have not been brought to account at 30 June 2002.

Notes to and forming part of the financial statements

for the year ended 30 June 2002

32 RELATED PARTY TRANSACTIONS

Director-Related Transactions

(a) Directors

The name of persons who were directors of Coventry Group Ltd at any time during the financial year are:

GW Blackburn	PA Kyle
WG Kent, AO	RM McLean
BA Goddard	BR Watson
CM Kyle	RB Flynn

(b) Directors' Shareholdings

The aggregate number of shares of Coventry Group Ltd held directly, indirectly or beneficially by directors and/or director-related entities at balance date are as follows:

	2002	2001
Ordinary shares	1,740,068	1,755,709

(c) Other Transactions

From time to time directors of the parent entity or its controlled entities may purchase goods from companies within the consolidated entity on the same terms and conditions as apply to any other employees of the consolidated entity.

During the year, fees totalling \$12,100 were paid on normal commercial terms and conditions to Mr BA Goddard for consulting services.

Controlled Entities

Details of the ownership interest in controlled entities are set out in Note 15: Investments in Controlled Entities.

Transactions between the parent entity and its controlled entities are as follows:

<i>Transaction Type</i>	<i>Terms and Conditions</i>	2002 \$000	2001 \$000
Purchases	(1)	8,331	1,050
Sales	(1)	1,157	996
Interest	(2)	236	21
Dividends received	(3)	647	746
Purchases – plant and equipment	(4)	606	-

(1) Transactions comprising the purchase and sale of raw materials, components and finished goods were made in the ordinary course of business with payment on normal commercial terms and conditions.

(2) Interest charged on funds in use by any controlled entity.

(3) Dividends received from controlled entities by the parent entity.

(4) Plant and equipment purchased by the parent entity from a controlled entity.

Notes to and forming part of the financial statements

for the year ended 30 June 2002

33 SEGMENT REPORTING

Industry Segments	Automotive Parts Distribution		Industrial Product Distribution		Bitumen Products	
	\$000	\$000	\$000	\$000	\$000	\$000
	2002	2001	2002	2001	2002	2001
Sales to customers outside the consolidated entity	214,036	202,598	152,237	128,071	14,767	16,457
Intersegment sales	1,037	289	602	675	-	7
Other revenue	3,501	2,448	4,119	3,475	136	61
Total revenue	218,574	205,335	156,958	132,221	14,903	16,525
Segment net profit before tax	219¹	(2,398) ²	11,992	7,950	2,271	2,651
Income tax expense						
Net profit after tax						
Segment assets	119,185	126,310	92,193	91,203	5,426	6,096
Unallocated assets						
Total assets						
Segment liabilities	21,820	24,360	17,602	15,984	979	1,661
Unallocated liabilities						
Total liabilities						
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	1,944	6,450	2,432	10,225	721	436
Depreciation and amortisation expense	2,746	2,893	3,891	3,403	512	541
Other non-cash expenses	428	1,279	314	42	(39)	-

¹ Includes cost of closing Victorian activities of Coventry Auto Parts Pty Ltd of \$2.72 million, and trading losses incurred by Coventry Auto Parts Pty Ltd of \$7.16 million.

² Includes cost of closing Victorian activities of Coventry Auto Parts Pty Ltd of \$0.87 million, and trading losses incurred by Coventry Auto Parts Pty Ltd of \$7.77 million.

³ Includes recoverable amount write-down on land and buildings of \$0.83 million.

⁴ Includes gain from distribution upon liquidation of Investment Company of the West Ltd of \$5.38 million, and profit on sale of land and buildings of \$0.73 million.

Notes to and forming part of the financial statements

for the year ended 30 June 2002

Gasket Manufacturing		Corporate		Other		Eliminations		Consolidated	
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
13,436	12,375	-	-	-	-	-	-	394,476	359,501
1,363	1,698	-	-	-	-	(3,002)	(2,669)	-	-
95	65	2,049	25,228	-	109	-	-	9,900	31,386
14,894	14,138	2,049	25,228	-	109	(3,002)	(2,669)	404,376	390,887
2,042	1,960	(5,481)³	2,924 ⁴	(1)	(62)	(200)	173	10,842	13,198
								7,059	6,048
								3,783	7,150
12,020	11,352	15,415	13,491	-	1,154	1,675	1,566	245,914	251,172
								4,048	3,653
								249,962	254,825
1,402	1,207	49,794	49,617	173	2,389	(1,496)	(1,803)	90,274	93,415
								3,796	2,992
								94,070	96,407
517	298	1,098	257	-	-	-	-	6,712	17,666
397	389	408	228	-	-	198	(117)	8,152	7,337
38	86	1,228	380	-	-	-	(9)	1,969	1,778

Notes to and forming part of the financial statements

for the year ended 30 June 2002

33 SEGMENT REPORTING (continued)

Products and services

The major products and services from which the above segments derive revenue are:

Industry Segment	Products/Service
Automotive Distribution	Automotive parts and accessories and mining and industrial consumables.
Industrial Product Distribution	Industrial fasteners, bearings, power transmission products, lubrication products and systems, hoses and fittings and hydraulic fluid systems.
Bitumen Products	Asphalt manufacture and application, road profiling and manufacture and spraying of bituminous products.
Gasket Manufacturing	Manufacture and distribution of automotive and industrial gaskets.

Intersegment pricing is determined on an arm's length basis.

Geographical segments

The consolidated entity operates in a single geographical segment, being Australia/New Zealand.

34 SUPERANNUATION COMMITMENTS

The consolidated entity makes contributions to an accumulation style superannuation scheme for each employee. These contributions are in accordance with the Superannuation Guarantee legislation. Employees may also make additional voluntary contributions. Benefits are based on the balance of the member accounts at the time of leaving the schemes.

Directors' DECLARATION

The directors declare that the accompanying financial statements and notes:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2002 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



W G Kent
Director



B R Watson
Director

Perth
4 September 2002

Independent AUDITOR'S REPORT

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COVENTRY GROUP LTD

Scope

We have audited the financial report of Coventry Group Ltd and controlled entities for the financial year ended 30 June 2002 as set out on pages 25 to 55.

The financial report includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year. The Company's directors are responsible for the financial report.

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

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

The names of the entities controlled during all or part of, or at the end of, the financial year, but of which we have not acted as auditors are AA Gaskets Pty Ltd, NZ Gaskets Ltd, Coventry Auto Parts Pty Ltd and Hylton Parker Fasteners Limited. We have, however, received sufficient information and explanations concerning those controlled entities to enable us to form an opinion on the consolidated accounts.

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

Audit Opinion

In our opinion, the financial report of Coventry Group Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2002 and of their performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

BDO Chartered Accountants



G F Brayshaw
Partner

Perth
4 September 2002

Shareholder

INFORMATION

as at 13 September 2002

TWENTY LARGEST SHAREHOLDERS

Name	Ordinary Shares	
	Number	% of Total
1. Australian Foundation Investment Company Limited	2,391,743	7.08
2. National Nominees Limited	2,036,541	6.03
3. Rubicon Nominees Pty Ltd	1,764,516	5.22
4. JP Morgan Nominees Australia Limited	1,616,917	4.79
5. Dorsett Investments Pty Ltd	1,524,446	4.51
6. Swanwall Holdings Pty Ltd	1,343,535	3.98
7. RBC Global Services Australia Nominees Pty Limited (PI Pooled A/C)	1,123,766	3.33
8. Anne Kyle	866,973	2.57
9. Devadius Pty Ltd	834,971	2.47
10. Malcolm James McCusker	694,894	2.06
11. Argo Investments Limited	542,350	1.61
12. Permanent Trustee Australia Limited	388,389	1.15
13. Chieftain Securities Limited	388,273	1.15
14. Citicorp Nominees Pty Limited	380,244	1.13
15. Milton Corporation Limited	369,285	1.09
16. RBC Global Services Australia Nominees Pty Limited (BK Cust A/C)	326,193	0.97
17. Westpac Custodian Nominees Limited	307,505	0.91
18. Leah Jane Cohen	297,600	0.88
19. Geoffrey Michael Kyle	291,000	0.86
20. Permanent Trustee Australia Limited	264,000	0.78
	17,753,141	52.57

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	Shareholders		Shares	
	Number	%	Number	%
1 to 1,000	1,248	34.18	635,017	1.88
1,001 to 5,000	1,801	49.33	4,601,502	13.63
5,001 to 10,000	336	9.20	2,493,951	7.38
10,001 to 100,000	230	6.30	5,752,611	17.03
100,001 and over	36	0.99	20,291,325	60.08
	3,651	100.00	33,774,406	100.00

There were 218 holders of less than a marketable parcel of shares.

Shareholder INFORMATION

as at 13 September 2002

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders showed the following particulars as at 13 September 2002.

Name of Substantial Shareholder	Extent of Interest (No. of shares)	Date of Last Notification
Australian Foundation Investment Company Limited	2,459,743	11.02.02
Perpetual Trustees Australia Limited	2,264,177	18.07.02
Guinness Peat Group plc & its subsidiaries	1,752,007	19.07.02

VOTING RIGHTS

Each member present at a general meeting of the Company in person or by proxy, attorney or official representative is entitled:

- on a show of hands - to one vote.
- on a poll - to one vote for each share held.

Investor INFORMATION

Annual General Meeting

The 66th Annual General Meeting of Coventry Group Ltd will be held in the Company's Conference Centre at 253 Walter Road, Morley, Western Australia, on Monday, 4 November 2002, at 3.00 pm.

Shareholder Enquiries

Shareholders can obtain information about their shares or dividend payments by contacting the Company's share registry at:

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
Perth Western Australia 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033
Freecall: 1800 033 025

Electronic Payment of Dividends

Coventry Group Ltd encourages shareholders to receive their dividend payments by direct credit. Shareholders may nominate a bank, building society or credit union account for direct payment of the dividend. Payments are electronically credited on the dividend date and confirmed by mailed payment advice. Shareholders wishing to take advantage of payment by direct credit should contact the share registry to obtain an application form.

Change of Name/Address/Banking Details

Shareholders should notify the share registry in writing immediately there is a change of their name, registered address or change in banking particulars for direct credit of dividends.

Removal From Annual Report Mailing List

Shareholders who prefer not to receive the annual report or are receiving more than one copy at a household or business should advise the share registry in writing.

Dividend Reinvestment Plan

The Company's dividend reinvestment plan is currently suspended.

Stock Exchange Listing

The Company's shares are listed on the Australian Stock Exchange Limited and trade under the ASX code CYG.

Coventry Group Website

Information about Coventry Group Ltd is available on the internet at:

www.cgl.com.au

This website also contains the Company's latest annual and half yearly report to shareholders as well as recent announcements to the Australian Stock Exchange.

The website also has a direct link to the Company's share registry.

Corporate DIRECTORY

Coventry Group Ltd

ABN 37 008 670 102

Head and Registered Office
253 Walter Road
Morley Western Australia 6062
Telephone: (08) 9276 0222
Facsimile: (08) 9276 1666

Directors

W G Kent, AO, Chairman
B A Goddard, Deputy Chairman
B R Watson, Chief Executive Officer & Managing Director
R B Flynn
C M Kyle
P A Kyle
R M McLean

Associate Directors

G W Blackburn, Manager - Bitumen Products
D J Fraser, Group General Manager - Automotive
V Scidone, Group General Manager - Industrial Products

Chief Financial Officer

S A Cooper

Secretary

J Colli

Bankers

Westpac Banking Corporation

Auditor

BDO
267 St. George's Terrace
Perth Western Australia 6000

Principal Solicitor

Freehills
140 St. George's Terrace
Perth Western Australia 6000

Share Registry

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St. George's Terrace
Perth Western Australia 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Financial CALENDAR

2002

Shares trade ex-dividend	16 September
Record date for entitlement to final dividend	20 September
Final dividend payable	27 September
Annual General Meeting	4 November
End of financial half-year	31 December

2003 (proposed)

Half Yearly Report and interim dividend announcement	5 March
Shares trade ex-dividend	13 March
Record date for entitlement to interim dividend	19 March
Interim dividend payable	2 April
End of financial year	30 June
Preliminary Final Report and final dividend announcement	22 August
Shares trade ex-dividend	4 September
Record date for entitlement to final dividend	10 September
Final dividend payable	23 September
Annual General Meeting	5 November