Queensland Fasteners
Australia's Fastener Specialists

Top End Fasteners
Australia's Fastener Specialists

Coventry Fasteners (NSW)
Australia's Fastener Specialists

Coventry Fasteners (TAS)
Australia's Fastener Specialists

Universal Fasteners (SA)
Australia's Fastener Specialists

CLICK HERE FOR CONTENTS

ANNUAL REPORT 2001

Motor Traders
Automotive Parts, Tools and Equipment

Drivetrain
Truck and Trailer Parts Specialists

Coventrys
Automotive, Mining and Industrial Supplies

Associated World Bearings
Bearing and Power Transmission Specialists

Coventry Fluid Systems
Australia's Hydraulic and Lubrication Specialists

Coventry Auto Parts (QLD)
Australia's Automotive Parts Specialists

Coventry Auto Parts (NSW)
Australia's Automotive Parts Specialists

AA Gaskets
Quality Automotive Gaskets

NZ Gaskets
Quality Automotive Gaskets

Hot Mix
Bituminous Paving Specialists

Bitumen Emulsions
Manufacturers of Emulsion and Bitumen Spraying Contractors

Construction Anchoring Systems
Australia's Construction Fastener Specialists

Sweetman Fasteners
Australia's Fastener Specialists

Cooper Fluid Systems
Australia's Hydraulic and Lubrication Specialists

Coventry Fasteners (VIC)
Australia's Fastener Specialists

Hylton Parker Fasteners (NZ)
New Zealand's Fastener Specialists

A Truly National Company

CONTENTS

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
B R Watson, Chairman
B A Goddard, Deputy Chairman
G W Blackburn
W G Kent
C M Kyle
P A Kyle
R M McLean

Associate Directors
D J Fraser
V Scidone

Chief Executive Officer
B R Watson

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

2001

Shares trade ex-dividend	19 October
Record date for entitlement to final dividend	25 October
Annual General Meeting	1 November
Final dividend payable	1 November
End of financial half-year	31 December

2002 (proposed)

Special interim dividend payable (record & payment date yet to be fixed)	February
Half Yearly Report and interim dividend announcement	6 March
Shares trade ex-dividend	30 April
Record date for entitlement to interim dividend	6 May
Interim dividend payable	13 May
End of financial year	30 June
Preliminary Final Report and final dividend announcement	4 September
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

annual general meeting

The 65th Annual General Meeting of Coventry Group Ltd. will be held in the Company's Conference Centre at 253 Walter Road, Morley, Western Australia, on Thursday, 1 November 2001, at 3.30 pm.

YEAR IN REVIEW

Financial

- Net profit after tax of $7.4 million – 82% improvement on the previous year.
- Record sales revenue of $359.5 million – an increase of 6%. Total revenue up by 12% to $390.9 million.
- Dividends totalling 45 cents per share fully franked for the 2000/01 financial year (comprising 15 cents recommended final, 15 cents interim and 15 cents special interim arising from the distribution of proceeds of the Investment Company of the West Ltd (ICW) liquidation).
- Significant items affecting the operating profit:
  - pre-tax gain of $5.4 million arising from the proceeds of the ICW liquidation.
  - trading loss of $6.9 million by the Group's controlled entity, Coventry Auto Parts Pty Ltd.
- Earnings per share of 22 cents – up 83% from 12 cents in the previous year.

Operational

- Acquisition of established fastener distribution business in New Zealand – Hylton Parker Fasteners.
- Expansion into the construction fastener market with the acquisition of the West Australian based business, Construction Anchoring Systems.
- Restructure of the Group's controlled entity, Coventry Auto Parts Pty Ltd, resulting in the closure of its Victorian activities.
- Opening of an additional 13 Group branches throughout Australia during the review period.

CORPORATE PROFILE

Coventry Group Ltd is a Western Australian based diversified industrial company with an annual turnover in excess of $390 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 118 branches, employing some 1900 people and has over 3,360 shareholders.

Our business interests are:

Industry Type	Products/Services
Automotive and Industrial Product Distribution	Automotive parts and accessories, tools, workshop equipment, mining and industrial consumables, 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.

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

GROUP LOCATIONS

Western Australia

Coventrys
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

Construction Anchoring Systems
Malaga

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

Hot Mix Bitumen Emulsions
Cannington

Northern Territory

Top End Fasteners
Winnellie

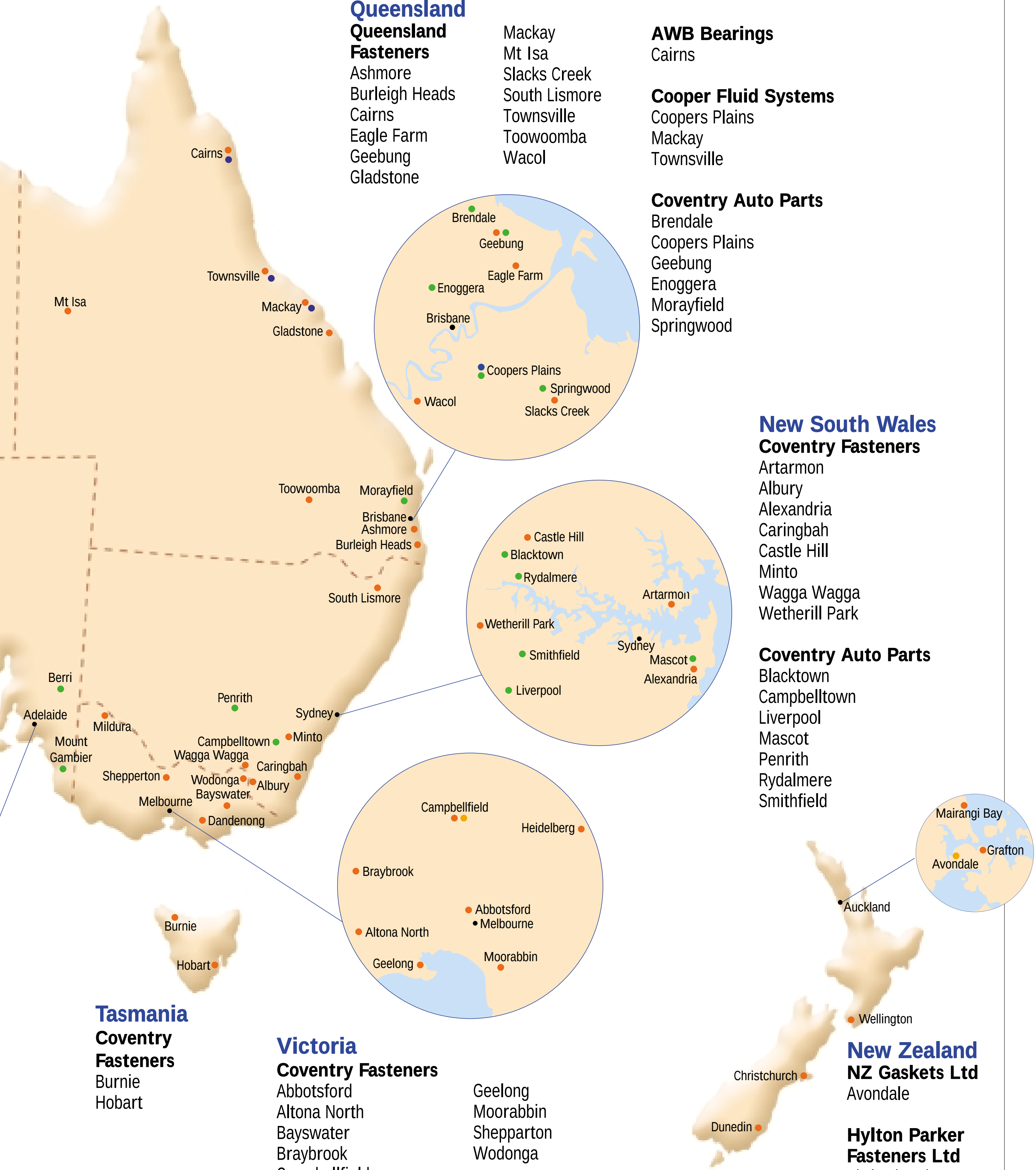
South Australia

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



Queensland

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

AWB Bearings
Cairns

Cooper Fluid Systems
Coopers Plains
Mackay
Townsville

Coventry Auto Parts
Brendale
Coopers Plains
Geebung
Enoggera
Morayfield
Springwood

New South Wales

Coventry Fasteners
Artarmon
Albury
Alexandria
Caringbah
Castle Hill
Minto
Wagga Wagga
Wetherill Park

Coventry Auto Parts
Blacktown
Campbelltown
Liverpool
Mascot
Penrith
Rydalmere
Smithfield

Tasmania

Coventry Fasteners
Burnie
Hobart

Victoria

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

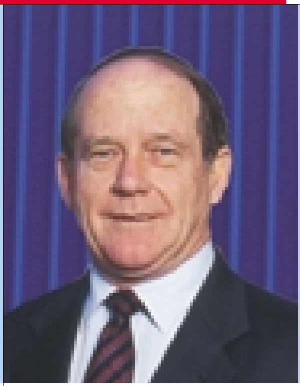
AA Gaskets Pty Ltd
Campbellfield

New Zealand

NZ Gaskets Ltd
Avondale

Hylton Parker Fasteners Ltd
Christchurch
Dunedin
Grafton
Mairangi Bay
Wellington

CHAIRMAN'S REPORT



A positive revenue and profit contribution by the Group's traditional business units has resulted in an overall earnings per share increase to 22 cents up from 12 cents for the previous year.

The reported profit before income tax and outside equity interests of $13.2 million represents a 51% improvement for the review year with sales revenue achieving a record level of $360 million, being an overall increase of 6%. Total revenue registered $391 million being a 12% increase over the previous year.

As previously forecast and expressed in earlier reports, the automotive parts subsidiary company, Coventry Auto Parts Pty Ltd (CAP), recorded a trading loss of $6.9 million. Our budget expectations remain firm that this growth business will reach breakeven during the 2003 financial year. Since balance date a restructure of CAP has taken place and this is explained in detail within the Chief Executive's Review of Operations on page 10 of the annual report.

Whilst our bitumen products division continues to maintain a solid revenue and profit contribution to our Group, the encouraging improvement has evolved from the established auto parts distribution and our industrial products activities. Margin improvement, cost reduction and strong control over inventory and cash flow management has given reward for the ever evolving system and operational changes that commenced in the prior years.

Dividend

Your Board has already announced a 39.47 cents per share special dividend to be paid in February 2002. This results from the proceeds of the liquidation of Investment Company of the West Ltd. A final dividend at the rate of 15 cents per share, to be paid in November 2001, will be recommended to shareholders at the forthcoming annual general meeting. Both dividends will be fully franked.

Group Focus

During the review year we continued to expand the distribution base for both the automotive and industrial products segments of the business. Within our existing structure we commissioned 13 branch openings during the review year and it is pleasing to report strong acceptance by the market.

A major acquisition was completed in New Zealand with the purchase of the industrial products company, Hylton Parker Fasteners Limited, a business that operates from Auckland, Christchurch, Wellington and Dunedin. This business is profitable and as we expand distribution and product range we forecast a strong revenue and profit contribution for the current year.

With the purchase of Construction Anchoring Systems in Western Australia and also the proposed acquisition of 14 country branches covering distribution of the Ramset product, we have introduced into our fastener (bolt & nut) business a new product range directly associated with concrete fastening. Again we expect positive growth as we develop the full potential of this expansion initiative.

Through the development of our own software we have commenced to encompass within our processes the concept of e-commerce and electronic business to business trading. This development together with our electronic product catalogue will ensure our ongoing viability as we continue to link into business partnerships with our product suppliers and also with our own client base. This technology will be introduced into all of our business units.

With all the exciting growth initiatives that we seek to develop, we continue to maintain strong vigilance over our operating costs and rigid control over our greatest asset – inventory.

Directors

Shareholders at the Annual General Meeting will be required to confirm the appointment of Mr Warwick Kent who was appointed as a Director since our previous year's meeting. Mr Kent brings to the Board wide ranging business experience together with a strong focus on growth and value appreciation for shareholders.

After a long professional association with our Group together with the past six years as a Director, Mr Jerry Donovan retired from the Board in June 2001. We record our appreciation to a worthy contribution made during this period.

Mr Graham Blackburn has served with high distinction on our Board since 1988 and as the General Manager – Bitumen Products since 1970. Mr Blackburn has indicated an intention to retire from our Board and from the position of General Manager. However, for the future he will be an Associate Director and assist the Group as a consultant to the Bitumen Division and with other special projects.

The Board is currently seeking a replacement for Mr Blackburn and it is anticipated that an appointment will be made prior to the next Annual General Meeting. The new appointee will need to be re-elected by shareholders at the Annual General Meeting. Particulars of the new director will be included in the notice for that meeting.

It will be recommended to shareholders at our Annual General Meeting to approve an increase in directors' fees. As we seek to broaden the experience and expertise of your Board, it is important that Directors are compensated at a level that is of current best practice. In 1995 when shareholders last approved an increase, the Board comprised four Executive Directors. Today, the Board operates with a much broader base and only one Executive Director. I commend to shareholders the proposed increase.

Employees

The overall performance improvement as recorded within the Annual Report is testimony to the continuous commitment by executives, managers and staff within each company division.

Representing shareholders, I record an expression of appreciation to all employees for a "job well done".

Prospects

The development of new business opportunities, a full year contribution from our recently acquired companies, the reducing loss position of Coventry Auto Parts and the steady improvement with our established divisions all give encouragement for a continuing strong performance improvement in the 2001-2002 year.

Against this positive forecast is the uncertainty surrounding the recently expressed economic concern associated within the USA and Japan and the possible impact this could have on the Australian economy.

Your Directors remain confident of an improved profit and revenue result for the current financial year.

B R Watson
Chairman

GROUP ACTIVITIES

BUSINESS OPERATION		TRADING NAMES	MAJOR ACTIVITIES
AUTOMOTIVE		• Coventrys • Motor Traders • Drivetrain • Coventry Auto Parts - NSW • Coventry Auto Parts - QLD	• Distribution and marketing of automotive parts and accessories, tools and workshop equipment. • Distribution of mining and industrial consumables. • Specialised transport and heavy haulage product suppliers.
INDUSTRIAL	**Fasteners**	• Coventry Fasteners - NSW • Coventry Fasteners - VIC • Coventry Fasteners - TAS • Queensland Fasteners • Sweetman Fasteners • Top End Fasteners • Universal Fasteners SA • Construction Anchoring Systems • Hylton Parker Fasteners- NZ	• Distribution and marketing of industrial fasteners including bolts, nuts and screws. • Distribution and marketing of general industrial products.
	Bearings	• Associated World Bearings • AWB Bearings • AWB Shutdown Services	• Distribution and marketing of industrial bearings and power transmission products. • Supplier of turn key project management and engineering support.
	Fluid Systems	• Cooper Fluid Systems • Coventry Fluid Systems	• Distribution of lubrication, hose & fittings products. • Design and installation of lubrication and hydraulic fluid systems.
BITUMEN PRODUCTS		• Hot Mix	• Manufacture and application of asphalt. • Road profiling contractors. • Road maintenance.
		• Bitumen Emulsions	¥ Manufacture and spraying of bituminous products for road construction and environmental protection. • Treatment of recreational and coloured surfaces.
GASKET MANUFACTURING		• A A Gaskets Pty Ltd • NZ Gaskets Ltd	• Manufacture and distribution of automotive and industrial gaskets.

SIGNIFICANT EVENTS 2000 - 2001

- Stronger margins and expenditure control contributed to improved performance.
- Commenced distribution of genuine Ford parts in New South Wales.
- Restructured the operations of Coventry Auto Parts resulting of the closure of its Victorian activities.
- Continued branch expansion with two new locations in New South Wales, two in Queensland, and one each in South Australia and Western Australia.

- Stronger EBIT performance.
- Acquisition of Hylton Parker Fasteners in New Zealand.
- Acquisition of Construction Anchoring Systems in Western Australia.
- Achievement of DNV accreditation for ISO 9001 Quality Systems by Queensland Fasteners.
- Business name change to Coventry Fasteners in Victoria.

- Expansion of AWB into Queensland and South Australia.
- New supply contracts with major mining customers.

- Relocation of Cooper Fluid Systems Mackay branch into new purpose built premises.
- Commencement of export business to Papua New Guinea.

- Suppliers of Red Mix Asphalt for the Kwinana Freeway extension.
- Asphalt surfaced the new Narrows Bridge.
- Commenced to supply and lay latest European technology for road surfacing - Stone Mastic Asphalt.
- Asphalt and profiling supplies to a number of local government councils and base contractors.

- Commissioned new bitumen spray tanker with the latest safety and technological innovations.
- Expanded our services of spreading and rolling cover material in both metropolitan and regional Western Australia.

- Strong focus on stock resulting in significant reduction in inventory whilst maintaining supply levels to customers.
- Installation of an additional computer-controlled press in the latter part of the review period which will significantly enhance gasket production and provide superior material utilisation.
- Development of an electronic system to measure, monitor and track production activities.

Industrial Products

Earnings before interest and tax (EBIT) covering divisions within this business segment demonstrated positive improvement when compared with the previous year. Overall revenue was marginally down. However, margin improvement, largely due to improved consolidated purchasing of product, reflected in the positive profit increase.

Consolidation, together with continuing efficiency reviews throughout all existing divisions, will support our future budget forecast as will the purchase of two long established companies that are leaders within their respective markets.

Our entry into New Zealand was completed in May 2001 with an investment of NZ$11.4 million for the purchase of Hylton Parker Fasteners, a company that was established in 1967. With five established locations, including 2 located in the South Island and 3 in the North Island, the budget forecasts for the 2001-2002 period suggest a solid return on investment and a positive profit contribution to the Group. During the coming year we expect to further develop the distribution base of this business together with a product range expansion to cover the market demand.

With the need to expand the established market segments within our fastener (nut and bolt) divisions, our purchase in April 2001 of the Western Australian business, Construction Anchoring Systems, presents an entry and growth path into the construction fastener market. This business will give immediate profit to our Group and with expansion into other states, consolidate our position as Australia's leading fastener supplier.

Since 30 June 2001, the purchase of 14 country business units to cover the ongoing distribution of the Ramset product was announced. This action will further support our expansion into the construction fastener market. The initial capital requirement for this venture will be approximately $5 million. This business will trade in the future as "Infix"

The reported growth in housing approvals, the planned development in all Australian states of major construction projects and the expected expansion within the resources sector give encouragement for a positive performance improvement during the current financial year.

Associated World Bearings expansion into two other states plus the rationalisation and "marriage" of administration with the Coventry Fluid Systems division will improve the overall performance during the current year. We continue to develop a range of unique specialist 'added value' products and services for the mining industry. This programme is also part of the growth strategy for the Queensland-based division, Cooper Fluid Systems.

Gasket Manufacturing

Against a difficult year and the maintenance of the traditional client base it is pleasing to report that at year's end both revenue and profit were almost on par with the previous year.

Major changes within the area of manufacturing, direct costs and trading efficiencies plus the determination by managers to broaden the market client base, positions both AA Gaskets Pty Ltd and NZ Gaskets Ltd for positive growth in the current year.

Bitumen products

The divisions within this business segment recorded both revenue and profit parallel with the previous year.

The influence of world oil pricing and the effect on the bitumen raw material had a major impact on the product costing as did the fuel and associated costs covering our vehicle fleet. For this reason the overall result proved disappointing given that the order book ensured strong work flow and the weather elements were conducive to a consistent works programme – we cannot control the OPEC decision on oil pricing. We maintain a positive forward order book. However, under existing circumstances we would expect this segment of our business to maintain the 2001 result.

Automotive

Strong revenue and profit performance in the second half of the review year produced a solid improvement in respect of the established automotive parts distribution businesses in Western Australia and South Australia.

Revenue was marginally down against the previous year. However, margin improvement and rigid cost management produced the encouraging result. During the review year additional branch outlets were completed by the Coventrys division together with the total re-development of the Coventrys Midland branch.

E-commerce trading and business to business electronic transactions has commenced and will, in time, offer substantial benefits to our automotive divisions. Unfortunately there is not the same ability with many of our product suppliers or client base to capitalise on this cost saving technology. We expect this to improve over the coming years.

Coventry Auto Parts Pty Ltd (CAP), our east coast automotive parts development in partnership with the Ford Motor Company of Australia Ltd, continues to expand and gain market acceptance. This business recorded a trading loss for the June 30 review period of $6.9 million. Under our forward business plan the recorded loss has peaked and we expect for the current year to register a substantially reduced amount.

Post balance date it was confirmed that CAP would not receive the rights to distribute genuine Ford parts in Victoria and Queensland. As a consequence, the CAP Directors made the decision to close the Victorian distribution business and also its administration centre. This business will continue to develop within New South Wales where it holds a long term agreement to distribute genuine Ford parts and also in Queensland where Directors believe there are strong prospects for success. As a result of this restructure our Group will not be obligated to introduce new capital and has negotiated an increase in its CAP shareholding from 65% to 88%. All associated costs covering the closure together with the required accounting adjustments covering past year losses and goodwill amortisation have been reflected in the 30 June 2001 accounts.

Five year review

		2001	2000	1999	1998	1997
Total revenue	$M	390.9	352.4	326.1	283.7	281.1
Operating profit before tax	$M	13.2	8.7	17.8	12.5	20.1
Operating profit after tax and outside equity interests	$M	7.4	4.1	10.6	7.2	12.9
Shareholders' funds after outside equity interests	$M	152.5	174.4	180.6	177.7	179.8
Net asset backing per share	$	4.69	5.47	5.66	5.32	5.38
Dividend per share	c	45 [1]	30	30	30	30
Earnings per share	c	22	12	31	21	42

[1] includes special dividend of 15 cents

Historical overview

		2001	1996	1991	1986	1981
Shareholders' funds after outside equity interests	$M	152.5	138.7	114.8	48.6	37.3
Operating profit before tax	$M	13.2	14.8	16.4	7.5	6.1
Operating profit after tax and outside equity interests	$M	7.4	7.1	9.6	4.1	3.3

BOARD OF DIRECTORS

Barry Robert Watson (3)
FCIS CPA FAIM FAICD
Chairman and Chief Executive Officer

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. Mr Watson is a director of each of the Company's controlled entities.

Brian Arthur Goddard (4)
FAIM FAICD
Deputy Chairman and Non-Executive Director

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 also a director of Associated Newsagents (WA) Cooperative Ltd. Mr Goddard is on the Board's audit committee.

Graham Walter Blackburn (2)
A.COM ACIS CPA FAICD
Executive Director

Mr. Blackburn joined the Company in 1963 and has been a director since 1988. His executive responsibilities include the administration and management of the Group's highly successful roadmaking divisions.

(Note: Mr. Blackburn has indicated an intention to retire from the Board prior to the 2001 AGM).

Warwick Gordon Kent AO Cit.WA (5)
FAICD
Non-Executive Director

Mr Kent was appointed a director on 1 July 2001 following the retirement of Mr J M Donovan. 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 a director of Commonwealth Bank of Australia, Perpetual Trustees Australia Limited and West Australian Newspapers Holdings Ltd. He is a former director of SGIO Insurance Ltd and Colonial Limited Group. Mr Kent is a past President of WA Division of the Australian Institute of Company Directors and was awarded the gold medal of the Division in 1998. In 1995 Mr Kent was nominated WA Citizen of the Year for Industry and Commerce and in 1998 was appointed as an Officer in the General Division of the Order of Australia. He is a Fellow of the Australian Institute of Company Directors. Mr Kent has been appointed as a member of the Board's salary review committee.

Clifford Maxwell Kyle (7)
B.COM DIPCM FCIS FAICD
Non-Executive Director

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. Mr. Kyle is on the Board's audit and salary review committees.

Peter Arthur Kyle (6)
MA (OXON) LLB (WA)
Non-Executive Director

Mr. Kyle was appointed a director in 1980. He is a solicitor in private practice with particular expertise and experience in local government affairs. Mr. Kyle chairs the Board's audit committee.

Ross Malcolm McLean (1)
B.ECONS (HONS)
Non-Executive Director

Mr. McLean was appointed a director in January 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, member of the Board of Management of the WA Municipal Workcare & Municipal Liability Self Insurance Schemes and Chairman of the Board of Management of the Fremantle Dockers Football Club. Mr. McLean chairs the Board's salary review committee.

FINANCIAL REPORT for the year ended 30 June 2001

Contents

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 2001.

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:

Barry Robert Watson - Chairman
Brian Arthur Goddard - Deputy Chairman
Graham Walter Blackburn
Jeremiah Michael Donovan (retired as a director on 30 June 2001)
Warwick Gordon Kent (appointed as a director on 1 July 2001)
Clifford Maxwell Kyle
Peter Arthur Kyle
Ross Malcolm McLean

Particulars of their qualifications, experience and special responsibilities are set out on page 12 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
B R Watson	66,723
B A Goddard	54,869
G W Blackburn	26,320
W G Kent	10,324
C M Kyle	201,791
P A Kyle	5,184
R M McLean	3,000

During the 2000/01 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.

Directors' Meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the year ended 30 June 2001 and the number of meetings attended by each director.

	Board		Audit Committee		Salary Review Committee	
	Held	Attended	Held	Attended	Held	Attended
B R Watson	16	15	-	-	-	-
B A Goddard	16	15	4	3	-	-
G W Blackburn	16	16	-	-	-	-
J M Donovan	16	15	4	3	1	1
C M Kyle	16	16	-	-	1	1
P A Kyle	16	15	4	4	-	-
R M McLean	16	15	-	-	1	1

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.

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

DIRECTORS' REPORT

3. Results

Results of the consolidated entity for the year ended 30 June 2001 were as follows:

	2001 $000	2000 $000
Revenue from ordinary activities	**390,887**	349,942
Profit from ordinary activities before income tax	**13,198**	8,735
Income tax	**6,048**	4,765
Profit from ordinary activities after income tax	**7,150**	3,970
Operating loss attributable to outside equity interests	**258**	92
Net profit attributable to members of Coventry Group Ltd	**7,408**	4,062

4. Dividends

The directors recommend payment of a final dividend of 15 cents per fully paid ordinary share for the year ended 30 June 2001.

The dividend will be fully franked and, subject to approval by shareholders, be payable on 1 November 2001.

An interim dividend of 15 cents per fully paid ordinary share was declared by the directors on 6 March 2001 and paid on 14 May 2001. The interim dividend was fully franked.

On 1 February 2001, the directors declared a special interim dividend of 15 cents per fully paid ordinary share. The dividend represented a payment to shareholders of part of the cash distribution received by the Company from the voluntary liquidation of Investment Company of the West Ltd (ICW). The special dividend was fully franked and paid on 27 February 2001.

When declared, the final dividend will bring the total dividend on fully paid ordinary shares to 45 cents per share for the year ended 30 June 2001.

For the year ended 30 June 2000, the final dividend of 15 cents per share referred to in the Directors' Report dated 5 September 2000 was approved by shareholders and paid on 6 November 2000.

On 10 May 2001, the Company announced that following the receipt of the final distribution arising from the ICW liquidation, the special interim dividend to be paid in February 2002 would be 39.11 cents per fully paid ordinary share fully franked. As a consequence of final tax adjustments the amount payable for the special dividend has been increased to 39.47 cents. The record and payment date for this dividend will be determined by the directors in January 2002.

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 8 to 10 of the Annual Report and in particular in the Chief Executive's review section.

6. 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.

7. After balance date events

On 14 August 2001, the Company announced that its controlled entity, Coventry Auto Parts Pty Ltd (CAP), had closed its Victorian operations due to significant uncertainty surrounding the granting of distribution rights for genuine Ford parts and accessories for that State. The cost of closing the Victorian operations of approximately $868,000 has been provided for in the year ended 30 June 2001.

It has since been confirmed that CAP will not be granted distribution rights in Victoria and Queensland. In recognition of this, Ford Motor Company of Australia Ltd and associated entities have agreed to transfer approximately 23% of their equity interest in CAP to the Company. Accordingly the Company's equity interest in CAP has increased from 65% to 88.33%.

As a consequence of these actions, the Company has accounted for its increased share of the brought forward and current year losses of CAP, including the provision for Victorian closure costs, in the 2001 financial year. This increased share of losses, being approximately $2,139,000, is disclosed in the consolidated accounts at Note 5 Individually Significant Items.

The Company has been released from any further capital commitments in respect of CAP.

DIRECTORS' REPORT

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.

8. 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.

9. Directors' & 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.

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 Salary Review Committee consisting of three non-executive directors. Its responsibility is to consider and review the remuneration of the Chief Executive Officer and senior executives of the Company and make recommendations to the Board. 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.

	Salary (a) $	Directors' Fees $	Superannuation Contribution $	Total $
Directors				
(Coventry Group Ltd)				
B R Watson	477,420	20,000 (b)	10,016	507,436
B A Goddard	-	63,000 (b)	5,040	68,040
G W Blackburn	253,313	-	8,416	261,729
J M Donovan	-	33,000	2,640	35,640
C M Kyle	-	33,000	2,640	35,640
P A Kyle	-	33,000	2,640	35,640
R M McLean	-	33,000	2,640	35,640
(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	250,924	-	8,416	259,340
D J Fraser	217,467	-	8,416	225,883
E V Currell	160,102	-	8,416	168,518
R A Watson	148,976	-	8,416	157,392
(Consolidated Entity)				
Emoluments of executive officers of the consolidated entity not mentioned above:				
H Dicinoski (c)	168,194	-	8,416	176,610

(a) comprises cash salary and value of fringe benefits.
(b) includes directors' fees paid by a controlled entity.
(c) H Dicinoski ceased employment on 14 August 2001.

DIRECTORS' REPORT

In addition to the emoluments listed above, Mr J M Donovan has received professional fees of $4,100 in his capacity as administrator and trustee of the Company's staff share scheme. Those fees were based on normal commercial rates for chartered accountants of appropriate expertise.

10. 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. 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 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 2001 and as at the date of this report, the consolidated entity has not been prosecuted nor incurred any infringement penalty for environmental incidents.

11. 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.

12. Options

The Company has not issued any options over its shares.

13. 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.

B R Watson
Director

Perth
4 September 2001

CORPORATE GOVERNANCE STATEMENT

Board of Directors

The Board of Directors presently consists of seven members, the maximum number allowable.

Two Board members, including the Chairman, are executive directors.

The Board remains open minded in respect of the appropriate mix of executive and non-executive directors and the separation of the offices of Chairman and Chief Executive Officer.

Board membership

The company does not have a nomination committee to determine Board membership, believing that all directors of a Board the size of Coventry Group's should have an input into ensuring that the appropriate mix of skills and expertise is at hand to service shareholders' best interests.

The Board not only considers the individual skills, expertise and experience that a candidate would bring to the position but also his or her ability to play a team role without sacrificing independence of thought.

The company does not impose an age limit on its directors, believing that the quality of stewardship is the appropriate determinant for continuing service.

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. While this approval shall not be unreasonably withheld, a director may appeal to the full Board if refused by the Chairman.

Remuneration committee

The Board has established a salary review committee consisting of the following non-executive directors.
R M McLean (Chairman)
J M Donovan (member until 30 June 2001)
C M Kyle
W G Kent (appointed as a member on 9 August 2001)

The committee meets as and when necessary to consider the remuneration package of the Chief Executive Officer and other senior executives of the company and makes recommendations to the Board. The Chief Executive Officer is invited to Salary Review Committee meetings as required to discuss senior executive performance and remuneration packages.

The committee met once during the year. It obtains external professional advice when appropriate for its deliberations. Board as a whole considers directors' fees.

Audit committee

The Board has established an audit committee consisting of three non-executive directors as follows:
P A Kyle (Chairman)
B A Goddard
J M Donovan (member until 30 June 2001)
C M Kyle (appointed as a member on 9 August 2001)

The internal and external auditors and Group Financial Controller also attend meetings.

The Board has approved terms of reference for the audit committee which formalised the objectives, composition and duties and responsibilities of the committee.

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:

- Serving as an independent and objective party to review the financial information presented by management to shareholders and other 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 to exchange views and information, as well as to confirm their respective authority and responsibilities.

CORPORATE GOVERNANCE STATEMENT

The committee's duties and responsibilities include:

- Recommend to Board the appointment of the external auditors and the audit fee.
- Review the audit plan of the external auditors.
- Review and approve the audit plan of the internal auditors to ensure proper coordination between internal and external audit and that the internal audit function is adequately resourced and has appropriate standing in the Company.
- Consider the overall effectiveness of both the internal and external audit through the meetings of the audit committee.
- Determine that no unacceptable management or other restrictions are being placed upon either the internal or external auditors.
- Consider the adequacy and effectiveness of the Group's administrative, operating and accounting policies through active communication with operating management, internal audit and the external auditors, and monitor management's responses and actions to correct any major findings of internal investigations.
- Consider the adequacy and effectiveness of the Group's control system by reviewing written reports from the internal and external auditors, and monitor management's responses and actions to correct any noted deficiencies.
- Review the half year and annual financial statements with the Chief Executive Officer and the external auditors, and make recommendations to the Board having regard for:
  - any changes in accounting policies and practices
  - major judgemental areas
  - significant adjustments resulting from the audit
  - the going concern assumption
  - compliance with accounting standards
  - compliance with the ASX and Corporations Law requirements
- Review any regulatory reports submitted to the Group concerning matters within the Committee's terms of reference and monitor management's response to them.
- Review practices and policies within the Group against established ethical guidelines.
- Monitor the standard of corporate conduct in areas such as arm's length dealings and likely conflicts of interests.
- Require reports from management, the internal auditors and external auditors of any significant proposed regulatory, accounting or reporting issue, to assess the potential impact upon the Group's financial reporting process.
- Monitor the extent of non-audit services provided by the external auditors and reports arising from those services.
- Report fully to Board following each meeting.

The committee meets four times a year and as required.

Business risk

While there is no formally structured policy existing, arrangements are in place to ensure that, as best as possible, 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, affirmative action and equal opportunity.

Ethical and corporate standards

All directors, officers and employees of the company are expected to act with integrity and sincerity at all times in the performance of their duties. 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 2001

		Consolidated Entity		Parent Entity	
		2001	2000	**2001**	2000
	Note	**$000**	$000	**$000**	$000
Revenue from ordinary activities	2	**390,887**	349,942	**353,082**	334,766
Cost of sales	3	**(234,229)**	(222,358)	**(211,296)**	(216,050)
Employee benefits expense		**(74,934)**	(69,260)	**(64,441)**	(64,238)
Depreciation and amortisation expenses	3	**(7,337)**	(7,749)	**(6,738)**	(6,756)
Borrowing costs	3	**(1,892)**	(2,121)	**(1,883)**	(2,099)
Other expenses from ordinary activities		**(59,297)**	(39,719)	**(57,287)**	(36,545)
Profit from ordinary activities before income tax expense		**13,198**	8,735	**11,437**	9,078
Income tax expense	4	**(6,048)**	(4,765)	**(5,259)**	(3,864)
Profit from ordinary activities after income tax expense		**7,150**	3,970	**6,178**	5,214
Net loss attributable to outside equity interest		**258**	92	**-**	-
Net profit attributable to members of Coventry Group Ltd		**7,408**	4,062	**6,178**	5,214
Net exchange differences on translation of financial statements of foreign controlled entities	26(a)	**110**	(23)	**-**	-
Total revenues, expenses and valuation adjustments attributable to members of Coventry Group Ltd recognised directly in equity		**110**	(23)	**-**	-
Total changes in equity other than those resulting from transactions with owners as owners	28	**7,518**	4,039	**6,178**	5,214
Earnings Per Share	9	**$0.219**	$0.119		

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 2001

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
CURRENT ASSETS					
Cash assets	10	**4,964**	9,839	**190**	562
Receivables	12	**62,607**	62,267	**57,602**	49,736
Inventories	13	**86,942**	79,767	**61,365**	67,524
Other assets	19	**1,708**	917	**1,500**	865
TOTAL CURRENT ASSETS		**156,221**	152,790	**120,657**	118,687
NON-CURRENT ASSETS					
Other financial assets	14	**-**	13,438	**35,442**	44,151
Property, plant and equipment	16	**67,911**	67,858	**60,950**	63,145
Tax assets	17	**3,653**	3,883	**3,406**	3,609
Intangible assets	18	**27,040**	26,554	**18,483**	18,143
TOTAL NON-CURRENT ASSETS		**98,604**	111,733	**118,281**	129,048
TOTAL ASSETS		**254,825**	264,523	**238,938**	247,735
CURRENT LIABILITIES					
Payables	20	**34,195**	27,941	**28,877**	25,222
Interest-bearing liabilities	21	**608**	2,156	**608**	2,156
Tax liabilities	22	**2,934**	2,670	**2,655**	2,206
Provisions	23	**26,156**	12,303	**24,583**	11,906
Other liabilities	24	**-**	157	**-**	-
TOTAL CURRENT LIABILITIES		**63,893**	45,227	**56,723**	41,490
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	21	**30,126**	32,050	**30,126**	32,050
Provisions	23	**2,388**	1,277	**2,341**	1,227
TOTAL NON-CURRENT LIABILITIES		**32,514**	33,327	**32,467**	33,277
TOTAL LIABILITIES		**96,407**	78,554	**89,190**	74,767
NET ASSETS		**158,418**	185,969	**149,748**	172,968
EQUITY					
Contributed equity	25	**87,242**	88,112	**87,242**	88,112
Reserves	26(a)	**32,128**	61,418	**31,939**	61,339
Retained profits	26(b)	**33,152**	24,872	**30,567**	23,517
Total parent entity interest		**152,522**	174,402	**149,748**	172,968
Outside equity interest	27	**5,896**	11,567	**-**	-
TOTAL EQUITY	28	**158,418**	185,969	**149,748**	172,968

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 2001

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
Cash Flows From Operating Activities:					
Receipts from customers		**385,253**	335,394	**350,422**	323,686
Refund of sales tax previously included in cost of inventories		**7,234**	-	**6,309**	-
Payments to suppliers and employees		**(384,828)**	(320,994)	**(331,312)**	(303,585)
Interest received		**1,342**	1,689	**247**	108
Dividend received		**427**	854	**1,681**	1,081
Interest and other costs of finance paid		**(1,848)**	(2,121)	**(1,839)**	(2,099)
Income tax paid		**(5,610)**	(7,346)	**(4,664)**	(6,726)
Net cash provided by (used in) operating activities	11(b)	**1,970**	7,476	**20,844**	12,465
Cash Flows From Investing Activities:					
Proceeds - sale of property, plant and equipment		**5,564**	2,938	**5,547**	2,937
Proceeds - sale of investments		**28,668**	-	**18,815**	-
Payment for property, plant and equipment		**(10,098)**	(9,203)	**(7,892)**	(7,605)
Payment for investments		**-**	(9,853)	**(12,829)**	-
Repayment of advances to controlled entities		**-**	-	**1,590**	571
Advances to controlled entities		**-**	-	**(4,720)**	(250)
Advances to other entities		**-**	(1,050)	**-**	(1,050)
Repayment of advances to other entities		**1**	201	**1**	201
Payments for acquisition of businesses	11(c)	**(10,908)**	-	**(2,096)**	-
Net cash provided by (used in) investing activities		**13,227**	(16,967)	**(1,584)**	(5,196)
Cash Flows From Financing Activities:					
Proceeds from borrowings		**13,550**	-	**13,550**	-
Repayment of borrowings		**(15,500)**	-	**(15,500)**	-
Dividends paid		**(15,231)**	(10,198)	**(15,232)**	(10,198)
Dividends paid to outside equity interests		**(441)**	(121)	**-**	-
Payment for share buy-back		**(870)**	-	**(870)**	-
Net cash provided by (used in) financing activities		**(18,492)**	(10,319)	**(18,052)**	(10,198)
Net increase (decrease) in cash		**(3,295)**	(19,810)	**1,208**	(2,929)
Cash at the beginning of the financial year		**7,683**	27,493	**(1,594)**	1,335
Cash at the end of the financial year	11(a)	**4,388**	7,683	**(386)**	(1,594)

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

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, have been 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 have been included from the date control was obtained or until the date control ceased.

(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 comply with the conditions of deductibility imposed by the law.

(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.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(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.

Bills of Exchange

Bills of exchange have been purchased at a discount to face value. They are carried at cost. The discount portion is reflected as deferred revenue and brought to account as interest received on an effective yield basis.

(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.

(i) Revaluations of Non-Current Assets

The consolidated entity has applied AASB 1041 Revaluation of Non-Current Assets for the first time from 1 July 2000. The standard requires each class of non-current asset to be measured on either the cost or fair value basis.

The consolidated entity has adopted the cost basis for land and buildings and has deemed the cost of the freehold land and buildings to be equal to the carrying value of the freehold land and buildings as at 1 July 2000.

The change in accounting policy has no financial effect in the current or prior financial years. As a consequence of making this election, on the adoption of AASB 1041 the balance of the asset revaluation reserve as at 1 July 2000 related to land and buildings which is no longer available for asset write-downs is $19,016,000 (the parent entity: $18,874,000).

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(j) 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:

Class Of Fixed Asset	Depreciation Rate
- Plant and Equipment	6% - 33%
- Buildings	2%

(k) 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.

(l) Investments

Corporations

Investments in listed and unlisted corporations other than controlled entities in the consolidated accounts, are carried at the lower of cost and recoverable amount. The recoverable amount for listed corporations comprises a directors' valuation based on market values at the time of valuation, and for unlisted corporations, an assessment of the underlying net assets of the relevant entities.

(m) 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.

(n) 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 30 days.

(o) 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 accrued over the period it becomes due and is recorded as part of other creditors.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) Comparative Information

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	Note	2001 $000	2000 $000	2001 $000	2000 $000
2. REVENUES					
Revenue from operating activities:					
Sales Revenue		**359,500**	339,244	**322,244**	324,522
Discounts and rebates		**4,661**	4,209	**4,356**	4,160
Management fees		**-**	-	**-**	32
Government subsidies and grants		**53**	34	**-**	-
Other		**447**	283	**439**	280
		364,661	343,770	**327,039**	328,994
Revenue from non-operating activities:					
Dividends	3(b)	**427**	854	**1,173**	2,442
Interest	3(b)	**1,063**	1,966	**247**	108
Proceeds on disposal of non-current assets		**5,564**	2,937	**5,548**	2,937
Distributions received from liquidation of Investment Company of the West Ltd		**18,815**	-	**18,815**	-
Rental income		**357**	415	**260**	285
		26,226	6,172	**26,043**	5,772
Total revenue		**390,887**	349,942	**353,082**	334,766
3. OPERATING PROFIT					
(a) Charging as an expense					
Cost of sales of goods		**234,229**	222,358	**211,296**	216,050
Interest paid/payable to:					
- other persons		**1,892**	2,121	**1,883**	2,099
Depreciation of non-current assets					
- buildings		**575**	582	**545**	553
- property, plant and equipment		**5,665**	5,450	**5,026**	4,974
Total depreciation		**6,240**	6,032	**5,571**	5,527
Amortisation of non-current assets					
- leased assets		**2**	-	**2**	-
- goodwill		**1,095**	1,717	**1,165**	1,229
Total amortisation		**1,097**	1,717	**1,167**	1,229
Total depreciation and amortisation		**7,337**	7,749	**6,738**	6,756
Provision for doubtful advance to controlled entity		**-**	-	**78**	2,497
Provision for doubtful other debtors		**-**	2,497	**-**	-
Write-downs of non-current assets to recoverable amount:					
Other financial assets					
- shares in subsidiaries		**-**	-	**8,100**	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	Consolidated Entity		Parent Entity	
	2001	2000	**2001**	2000
	$000	$000	**$000**	$000
3. OPERATING PROFIT (continued)				
Other provisions				
- employee entitlements	**775**	873	**472**	817
- obsolete stock	**(115)**	226	**-**	175
Total other provisions	**660**	1,099	**472**	992
Net bad and doubtful debts expense	**895**	539	**781**	537
Write-off of obsolete stock	**783**	441	**783**	440
Rental expense on operating leases	**6,041**	3,525	**3,938**	2,981
(b) Crediting as income:				
Dividends from:				
- wholly-owned group	**-**	-	**-**	854
- partly owned controlled entities	**-**	-	**746**	734
- other corporations	**427**	854	**427**	854
	427	854	**1,173**	2,442
Interest revenue from:				
- other persons	**1,063**	1,966	**247**	108
Net gain on disposal of assets:				
- investments	**5,377**	-	**5,377**	86
- property, plant and equipment	**919**	392	**909**	392
	6,296	392	**6,286**	478
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 34% (2000: 36%)	**4,487**	3,145	**3,889**	3,268
Tax effect of permanent differences:				
Add:				
- depreciation of buildings	**34**	35	**23**	25
- amortisation of goodwill	**387**	618	**396**	442
- assessable dividend included in profit on sale of investments	**1,690**	-	**1,690**	-
- non deductible provision for loss on advance to controlled entity	**-**	-	**26**	759
- non deductible provision for loss on investment in controlled entity	**-**	-	**2,754**	-
- tax losses not brought to account	**2,354**	1,361	**-**	-
- adjustment to future income tax benefit for change in company tax rate from 34% to 30% (2000: 36% to 34%)	**795**	227	**454**	212
- other non deductible expenses	**28**	31	**26**	17
	5,288	2,272	**5,369**	1,455

	Consolidated Entity		Parent Entity	
	2001	2000	**2001**	2000
	$000	$000	**$000**	$000

4. INCOME TAX (continued)

Less:				
- rebateable dividends	**(1,534)**	(307)	**(1,788)**	(572)
- non assessable profit on sale of investments	**(1,711)**	-	**(1,711)**	-
- non assessable profit on sale of property	**(99)**	-	**(99)**	-
- non-taxable income	**-**	(9)	**-**	(20)
- tax benefit on losses transferred from controlled entity	**-**	-	**(307)**	-
- other deductible items	**(13)**	-	**(2)**	-
- overprovision of income tax in prior year	**(88)**	(336)	**(92)**	(267)
- tax losses not previously brought to account	**(282)**	-	**-**	-
	(3,727)	(652)	**(3,999)**	(859)
Income tax expense attributable to operating profit before income tax	**6,048**	4,765	**5,259**	3,864

(b) Income tax expense attributable to operating profit is made up of:				
Current income tax provision	**5,906**	4,598	**5,148**	3,626
Future income tax benefit	**230**	503	**203**	505
Over provision in prior year	**(88)**	(336)	**(92)**	(267)
	6,048	4,765	**5,259**	3,864

(c) Future income tax benefits not brought to account as assets:				
Tax losses – revenue	**2,337**	406	**-**	-
Tax losses – capital	**500**	-	**-**	-
	2,837	406	**-**	-

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 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.

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
5. INDIVIDUALLY SIGNIFICANT ITEMS					
(a) Individually significant items included in profit from ordinary activities before income tax expense					
Payment upon termination of a defined benefits superannuation plan		**-**	1,390	**-**	1,390
Provision for doubtful other debtors	3	**-**	2,497	**-**	-
Provision for doubtful advance to controlled entity	3	**-**	-	**-**	2,497
Provision for cost of closing Victorian activities of Coventry Auto Parts Pty Ltd	31	**868**	-	**-**	-
Trading loss incurred by Coventry Auto Parts Pty Ltd (excluding provision for closure costs)		**6,981**	1,339	**-**	-
Provision for loss on investment in Coventry Auto Parts Pty Ltd		**-**	-	**8,100**	-
Gain from distributions upon liquidation of Investment Company of the West Ltd	3	**(5,377)**	-	**(5,377)**	-
		2,472	5,226	**2,723**	3,887
(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% (2000: 36% to 34%)	4	**795**	227	**454**	212
(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)	31	**2,139**	-	**-**	-

	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000

6. REMUNERATION AND RETIREMENT BENEFITS

(a) Directors' Remuneration

	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
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.	**1,002**	953		
Income paid or payable to all directors of the parent entity by the parent entity and any related parties.			**980**	942
Number of directors whose income from the parent entity and any related parties was within the following bands:			**No.**	No.
$30,000 - $39,999			**4**	4
$50,000 - $59,999			**-**	1
$60,000 - $69,999			**1**	-
$250,000 - $259,999			**-**	1
$260,000 - $269,999			**1**	-
$490,000 - $499,999			**-**	1
$500,000 - $509,999			**1**	-

(b) Executive Remuneration

	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
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.	**3,906**	3,248		
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.			**3,474**	2,977
Number of executive officers whose income was within the following bands:	**No.**	No.	**No.**	No.
$100,000 - $109,999	**5**	2	**5**	2
$110,000 - $119,999	**5**	5	**4**	5
$120,000 - $129,999	**4**	3	**4**	2
$130,000 - $139,999	**3**	3	**3**	3
$140,000 - $149,999	**1**	1	**-**	-
$150,000 - $159,999	**1**	1	**1**	1
$160,000 - $169,999	**1**	1	**1**	1
$170,000 - $179,999	**1**	-	**-**	-
$210,000 - $219,999	**-**	1	**-**	1
$220,000 - $229,999	**1**	-	**1**	-
$250,000 - $259,999	**1**	2	**1**	2
$260,000 - $269,999	**1**	-	**1**	-
$490,000 - $499,999	**-**	1	**-**	1
$500,000 - $509,999	**1**	-	**1**	-

	Consolidated Entity		Parent Entity	
	2001	2000	**2001**	2000
	$000	$000	**$000**	$000
7. REMUNERATION OF AUDITORS				
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing accounts	**165**	168	**165**	167
- other services	**28**	54	**27**	53
- other services provided by related practice of auditor	**15**	-	**15**	-
	208	222	**207**	220
Remuneration of the auditors of subsidiaries for:				
- auditing or reviewing accounts	**78**	51	**-**	-
- other services	**20**	6	**-**	-
	98	57	**-**	-
	306	279	**207**	220
8. DIVIDENDS PAID AND PROPOSED				
Ordinary Shares				
Interim dividend of 15 cents (2000: 15 cents) per share fully franked at 34% (2000: 36%) paid	**5,066**	5,099	**5,066**	5,099
Final dividend of 15 cents (2000: 15 cents) per share fully franked at 30% (2000: 34%) payable in November 2001	**5,066**	5,099	**5,066**	5,099
	10,132	10,198	**10,132**	10,198
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% payable in February 2002	**13,330**	-	**13,330**	-
	18,396	-	**18,396**	-
	28,528	10,198	**28,528**	10,198
Franked Dividends				
Franking credits available for subsequent financial years:	**52,099**	48,739	**42,465**	41,336

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.

	Consolidated Entity	
	2001	2000
9. EARNINGS PER SHARE		
Basic earnings per share (cents)	**21.9**	11.9
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	**33,887,831**	33,994,619

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
10. CASH ASSETS					
Cash on hand		**83**	74	**71**	69
Cash deposits with banks		**1,441**	3,289	**-**	-
Short term money market deposits		**3,440**	6,476	**119**	493
		4,964	9,839	**190**	562
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		**83**	74	**71**	69
Cash deposits with banks		**1,441**	3,289	**-**	-
Short term money market deposits		**3,440**	6,476	**119**	493
Bank overdrafts	21	**(576)**	(2,156)	**(576)**	(2,156)
Balance per Statement of Cash Flows		**4,388**	7,683	**(386)**	(1,594)
(b) Reconciliation of cash flow from operating activities with operating profit after income tax					
Operating profit after income tax		**7,150**	3,970	**6,178**	5,214
Cash flows in operating profit attributable to non operating activities:					
Distribution upon liquidation of controlled entity		**-**	-	**-**	(86)
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:					
Amortisation of leased assets		**2**	-	**2**	-
Amortisation of goodwill		**1,095**	1,717	**1,165**	1,229
Depreciation		**6,240**	6,032	**5,571**	5,527
Transfers to provisions		**1,569**	1,108	**9,697**	999
Profits on sale of property, plant and equipment		**(919)**	(392)	**(909)**	(392)
Profit on sale of investment		**(5,377)**	-	**(5,377)**	-
Net exchange differences		**120**	(33)	**-**	-
Increase/(decrease) in tax payable		**199**	(3,083)	**383**	(3,368)
Decrease in future income tax benefit		**240**	502	**212**	506
Changes in assets and liabilities:					
(Increase)/decrease in trade and other debtors		**(10,342)**	4,477	**(6,302)**	4,823
Decrease in prepayments		**44**	-	**44**	-
(Increase)/decrease in inventories		**(4,001)**	(6,221)	**6,322**	812
Increase/(decrease) in trade and other creditors		**5,950**	(601)	**3,351**	(2,799)
Cash Flows From Operating Activities		**1,970**	7,476	**20,844**	12,465

(c) Acquisition of businesses

On 30 April 2001, the consolidated entity purchased 100% of the voting shares of GBSJ Pty Ltd, formerly Construction Anchoring Systems Pty Ltd. The assets and liabilities of the company were transferred to the parent entity, and the company was then placed in voluntary liquidation.

On 31 May 2001, the consolidated entity acquired a New Zealand business trading as Hylton Parker Fasteners. A new wholly owned controlled entity known as Hylton Parker Fasteners Limited was established to acquire and operate the business.

Details of the acquisitions are as follows:

	Consolidated Entity		Parent Entity	
	2001 $000	2000 $000	**2001 $000**	2000 $000
Purchase price	**11,887**	-	**2,261**	-
Cash consideration	**11,887**	-	**2,261**	-
Cash held at acquisition	**(979)**	-	**(165)**	-
Cash outflow	**10,908**	-	**2,096**	-
Assets and liabilities held at acquisition date:				
Cash	**979**	-	**165**	-
Receivables	**480**	-	**479**	-
Inventories	**3,312**	-	**429**	-
Property, plant & equipment	**843**	-	**123**	-
Goodwill	**6,715**	-	**1,505**	-
Other assets	**10**	-	**10**	-
Creditors and borrowings	**(300)**	-	**(299)**	-
Provisions	**(89)**	-	**(88)**	-
Other liabilities	**(63)**	-	**(63)**	-
	11,887	-	**2,261**	-

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
12. RECEIVABLES					
Current					
Trade debtors		**60,908**	50,110	**51,833**	47,122
Provision for doubtful debts		**(1,442)**	(1,300)	**(1,180)**	(1,173)
		59,466	48,810	**50,653**	45,949
Bills of exchange accepted or endorsed by trading banks		**-**	9,853	**-**	-
Other debtors		**3,141**	6,101	**2,128**	1,511
- provision for doubtful debts		**-**	(2,497)	**-**	-
		3,141	3,604	**2,128**	1,511
Amounts receivable from:					
- wholly owned group		**-**	-	**11,651**	9,028
- provision for doubtful debts		**-**	-	**(6,830)**	(6,752)
		-	-	**4,821**	2,276
		62,607	62,267	**57,602**	49,736
13. INVENTORIES					
Current					
Raw materials at cost		**948**	1,375	**-**	-
Finished goods at cost		**88,132**	80,373	**63,252**	69,145
Provision for obsolescence		**(2,138)**	(1,981)	**(1,887)**	(1,621)
		85,994	78,392	**61,365**	67,524
		86,942	79,767	**61,365**	67,524
14. OTHER FINANCIAL ASSETS					
Non-current					
Investments comprise:					
Shares in subsidiaries	15				
- unlisted at cost		**-**	-	**43,842**	31,013
- provisions		**-**	-	**(8,400)**	(300)
		-	-	**35,442**	30,713
Shares in other corporations					
- listed at cost		**-**	13,438	**-**	13,438
		-	13,438	**35,442**	44,151

15. INVESTMENTS IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2001 %	Equity Holding 2000 %	Cost of Parent Entity's Investment 2001 $000	Cost of Parent Entity's Investment 2000 $000
AA Gaskets Pty Ltd	Australia	Ordinary	**73%**	73%	**4,713**	4,713
Coventry Auto Parts Pty Ltd	Australia	Ordinary	**88%**	65%	**34,000**	26,000
GBSJ Pty Ltd (in liquidation)	Australia	Ordinary	**100%**	0%	**-**	-
Hylton Parker Fasteners Limited	New Zealand	Ordinary	**100%**	0%	**4,829**	-
NZ Gaskets Ltd*	New Zealand	Ordinary	**73%**	73%	**-**	-
ZZTXH Pty Ltd (in liquidation)	Australia	Ordinary	**100%**	100%	**300**	300
					43,842	31,013

The 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

	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
LAND AND BUILDINGS				
Freehold Land				
At cost	**19,146**	20,396	**18,321**	19,571
Buildings				
At cost	**28,554**	29,092	**27,079**	27,617
Less accumulated depreciation	**(1,118)**	(588)	**(1,052)**	(552)
	27,436	28,504	**26,027**	27,065
Total Land and Buildings	**46,582**	48,900	**44,348**	46,636
PLANT AND EQUIPMENT				
At cost	**48,543**	43,037	**39,993**	37,257
Less accumulated depreciation	**(27,369)**	(24,093)	**(23,452)**	(20,748)
	21,174	18,944	**16,541**	16,509
Plant and equipment in the course of construction	**94**	14	**-**	-
Total Owned Plant and Equipment	**21,268**	18,958	**16,541**	16,509
Capitalised Leased Plant and Equipment				
At cost	**63**	-	**63**	-
Less accumulated amortisation	**(2)**	-	**(2)**	-
	61	-	**61**	-
Total Plant and Equipment	**21,329**	18,958	**16,602**	16,509
Total Property, Plant and Equipment	**67,911**	67,858	**60,950**	63,145

Valuations

The independent valuation of the consolidated entity's freehold land and buildings carried out as at March 1999 on the basis of open market values for continuing use resulted in a valuation of buildings of $29,092,000 (the parent entity: $27,617,000) and a valuation of land of $20,396,000 (the parent entity: $19,571,000).

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $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		**20,396**	21,681	**19,571**	20,856
Additions		**1,230**	-	**1,230**	-
Disposals		**(2,480)**	(1,285)	**(2,480)**	(1,285)
Carrying amount at end of year		**19,146**	20,396	**18,321**	19,571
Total Buildings					
Carrying amount at start of year		**28,504**	29,464	**27,065**	27,996
Additions		**846**	76	**846**	76
Disposals		**(1,339)**	(455)	**(1,339)**	(455)
Depreciation		**(575)**	(581)	**(545)**	(552)
Carrying amount at end of year		**27,436**	28,504	**26,027**	27,065
Total Owned Plant and Equipment					
Carrying amount at start of year		**18,958**	16,088	**16,509**	14,760
Additions		**8,022**	9,126	**5,816**	7,529
Disposals		**(827)**	(807)	**(818)**	(806)
Acquisitions through acquisitions of entities or operations		**780**	-	**60**	-
Depreciation		**(5,665)**	(5,449)	**(5,026)**	(4,974)
Carrying amount at end of year		**21,268**	18,958	**16,541**	16,509
Total Leased Plant and Equipment					
Carrying amount at start of year		**-**	-	**-**	-
Acquisitions through acquisitions of entities or operations		**63**	-	**63**	-
Amortisation		**(2)**	-	**(2)**	-
Carrying amount at end of year		**61**	-	**61**	-
17. TAX ASSETS					
Non-current					
Future income tax benefit	**(a)**	**3,653**	3,883	**3,406**	3,609
(a) The future income tax benefit is made up of the following estimated tax benefits:					
- timing differences		**3,653**	3,883	**3,406**	3,609

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
18. INTANGIBLE ASSETS					
Goodwill at cost		**35,828**	34,246	**26,081**	24,576
Less accumulated amortisation		**(8,788)**	(7,692)	**(7,598)**	(6,433)
		27,040	26,554	**18,483**	18,143

During the financial year, the consolidated entity purchased goodwill of $6,715,000 as part of the acquisitions of the businesses trading as Hylton Parker Fasteners and Construction Anchoring Systems detailed at Note 11(c). A further $2,800,000 of goodwill on consolidation arose upon the investment of $8,000,000 in Coventry Auto Parts Pty Ltd in October 2000.

In addition, goodwill on consolidation was reduced by $7,933,000 as a result of the post-balance date reduction in outside equity interest in Coventry Auto Parts Pty Ltd, further explained at Note 31.

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
19. OTHER ASSETS					
Current					
Prepayments		**1,708**	917	**1,500**	865
20. PAYABLES					
Current					
Unsecured liabilities:					
Trade creditors		**32,028**	26,660	**27,185**	24,193
Other creditors		**2,167**	1,281	**1,692**	1,029
		34,195	27,941	**28,877**	25,222
21. INTEREST-BEARING LIABILITIES					
Current					
Bank overdrafts - secured	11	**576**	2,156	**576**	2,156
Lease liabilities	30	**32**	-	**32**	-
		608	2,156	**608**	2,156
Non-current					
Bill acceptance facility - secured		**30,100**	32,050	**30,100**	32,050
Lease liabilities	30	**26**	-	**26**	-
		30,126	32,050	**30,126**	32,050
(a) Facilities utilised at balance date					
Bank overdrafts		**576**	2,156	**576**	2,156
Bill acceptance facility		**30,100**	32,050	**30,100**	32,050
		30,676	34,206	**30,676**	34,206
(b) Facilities not utilised at balance date					
Bank overdrafts		**5,124**	3,544	**5,124**	3,544
Bill acceptance facility		**9,900**	7,950	**9,900**	7,950
		15,024	11,494	**15,024**	11,494

(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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
22. TAX LIABILITIES					
Current					
Income tax		**2,934**	2,670	**2,655**	2,206
23. PROVISIONS					
Current					
Dividends	8	**18,396**	5,099	**18,396**	5,099
Employee entitlements	(a)	**6,892**	7,204	**6,187**	6,807
Restructuring	31	**868**	-	**-**	-
		26,156	12,303	**24,583**	11,906
Non-current					
Employee entitlements	(a)	**2,388**	1,277	**2,341**	1,227
(a) Aggregate employee entitlement liability		**9,280**	8,481	**8,528**	8,034
(b) Employee numbers					
Number of employees at reporting date		**1,979**	1,908	**1,590**	1,724
24. OTHER LIABILITIES					
Current					
Amounts owing to:					
- other related parties		**-**	157	**-**	-

25. CONTRIBUTED EQUITY

(a) Share capital

	Note	Parent Entity Number of Shares	Parent Entity Number of Shares	Parent Entity 2001 $000	Parent Entity 2000 $000
Ordinary shares					
Fully paid	(b), (c)	33,774,406	33,994,619	**87,242**	88,112

(b) Movements in ordinary share capital

Details	Date	Number of Shares	Average Issue Price	$000
Opening balance	01/07/00	33,994,619	$2.59	88,112
Share buy-back	04/01/01	(220,213)	$3.95	(870)
Closing balance	30/06/01	33,774,406		87,242

(c) 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.

(d) Share buy-back

On 4 January 2001, the parent entity completed the selective buy-back of 220,213 ordinary shares, representing 0.6% of ordinary shares on issue at that date, under terms approved by shareholders on 6 November 2000. The total consideration for the shares bought back off market was $869,841, being $3.95 per share. The consideration was allocated against share capital.

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
26. RESERVES AND RETAINED PROFITS					
(a) Reserves					
Asset realisation reserve		**15,389**	13,074	**15,380**	13,065
Asset revaluation reserve		**16,701**	19,016	**16,559**	18,874
General reserve		**-**	29,400	**-**	29,400
Foreign currency translation reserve		**38**	(72)	**-**	-
		32,128	61,418	**31,939**	61,339
Movements during the year:					
Asset realisation reserve					
Opening balance		**13,074**	12,212	**13,065**	12,203
Transfer from asset revaluation reserve		**2,315**	862	**2,315**	862
Closing balance		**15,389**	13,074	**15,380**	13,065
Asset revaluation reserve					
Opening balance		**19,016**	19,878	**18,874**	19,736
Transfer to asset realisation reserve		**(2,315)**	(862)	**(2,315)**	(862)
Closing balance		**16,701**	19,016	**16,559**	18,874
General reserve					
Opening balance		**29,400**	29,400	**29,400**	29,400
Transfer to retained profits		**(29,400)**	-	**(29,400)**	-
Closing balance		**-**	29,400	**-**	29,400
Foreign currency translation reserve					
Opening balance		**(72)**	(49)	**-**	-
Net exchange differences on translation of foreign controlled entities		**114**	(32)	**-**	-
Applicable to outside equity interests		**(4)**	9	**-**	-
Closing balance		**38**	(72)	**-**	-
(b) Retained Profits					
Retained profits at the beginning of the financial year		**24,872**	31,008	**23,517**	28,501
Net profit attributable to members		**7,408**	4,062	**6,178**	5,214
Dividends provided for or paid	8	**(28,528)**	(10,198)	**(28,528)**	(10,198)
Transfer from general reserve		**29,400**	-	**29,400**	-
Retained profits at end of the financial year		**33,152**	24,872	**30,567**	23,517

(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.

27. OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES

	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000
Outside equity interest comprises:		
Share capital	**3,969**	9,103
Reserves	**95**	91
Retained profits	**1,832**	2,373
	5,896	11,567

28. EQUITY

	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $000
Total equity at the beginning of the financial year	**185,969**	192,507	**172,968**	177,952
Total changes in equity recognised in the Statement of Financial Performance	**7,518**	4,039	**6,178**	5,214
Transactions with owners as owners:				
Dividends provided for or paid	**(28,528)**	(10,198)	**(28,528)**	(10,198)
Share buy-back	**(870)**	-	**(870)**	-
Total changes in outside equity interest	**(5,671)**	(379)	**-**	-
Total equity at the end of the financial year	**158,418**	185,969	**149,748**	172,968

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 5.0%. 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 86% of the principal outstanding. The fixed interest rates range between 6.1% and 6.3%.

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

	2001 $000	2000 $000
Two to five years	**26,000**	26,000

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 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
30 June 2000								
Financial Assets								
Cash and deposits	10	5.76%	9,765	-	-	-	74	9,839
Receivables	12	6.20%	-	10,903	-	-	51,364	62,267
Other financial assets	14		-	-	-	-	13,438	13,438
Other assets	19		-	-	-	-	917	917
			9,765	10,903	-	-	65,793	86,461
Financial Liabilities								
Bank overdrafts	21	9.25%	2,156	-	-	-	-	2,156
Trade and other creditors	20		-	-	-	-	27,941	27,941
Bills payable	21	6.34%	32,050	-	-	-	-	32,050
Other liabilities	24		-	-	-	-	157	157
Interest rate swaps (at notional principal amount)		6.20%	(26,000)	-	26,000	-	-	-
			8,206	-	26,000	-	28,098	62,304
Net financial assets/(liabilities)			1,559	10,903	(26,000)	-	37,695	24,157

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 amounts and net fair values of financial assets and liabilities recognised on the Statement of Financial Position at balance date are as follows:

	2001		2000	
	Carrying Amount $000	**Net Fair Value $000**	Carrying Amount $000	Net Fair Value $000
Financial Assets				
Trade debtors	**59,466**	**59,466**	48,810	48,810
Bills of exchange receivable	**-**	**-**	9,853	9,853
Other debtors	**3,141**	**3,141**	3,605	3,605
Prepayments	**1,708**	**1,708**	916	916
Traded investments	**-**	**-**	13,438	13,414
Cash and deposits	**4,964**	**4,964**	9,839	9,839
	69,279	**69,279**	86,461	86,437
Financial Liabilities				
Trade creditors	**32,028**	**32,028**	26,660	26,660
Other creditors	**2,167**	**2,167**	1,281	1,281
Bank overdraft	**576**	**576**	2,156	2,156
Lease liabilities	**58**	**58**	157	157
Bills of exchange payable	**30,100**	**30,100**	32,050	32,050
	64,929	**64,929**	62,304	62,304

Other than those classes of assets and liabilities denoted as “traded”, none of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

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

	2001 $000	2000 $000
Interest rate swaps	**(112)**	279

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2001

	Note	Consolidated Entity 2001 $000	Consolidated Entity 2000 $000	Parent Entity 2001 $000	Parent Entity 2000 $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		**5,843**	4,748	**3,522**	3,380
Later than one year but not later than five years		**10,417**	8,594	**4,617**	4,762
Later than five years		**910**	737	**174**	96
Commitments not capitalised in the financial statements		**17,170**	14,079	**8,313**	8,238
(c) Capital Expenditure Commitments					
Plant and equipment purchases					
Not later than one year		**332**	-	**-**	-
		332	-	**-**	-

31. EVENTS SUBSEQUENT TO BALANCE DATE

On 14 August 2001, the consolidated entity announced that its controlled entity, Coventry Auto Parts Pty Ltd, had closed its Victorian activity due to significant uncertainty surrounding the granting of distribution rights for genuine Ford parts and accessories for that State. The cost of closing the Victorian activity of approximately $868,000, was provided for in the 2001 financial year.

It has since been confirmed that CAP will not be granted distribution rights in Victoria and Queensland. In recognition of this, Ford Motor Company of Australia Ltd and associated entities agreed to transfer an approximate 23% equity interest in Coventry Auto Parts Pty Ltd to Coventry Group Ltd for no cash consideration. The equity interest of Coventry Group Ltd in Coventry Auto Parts Pty Ltd has therefore increased from 65% to 88.33%.

As a consequence of these actions, Coventry Group Ltd has accounted for its increased share of the brought forward and current year losses of Coventry Auto Parts Pty Ltd, including the provision for Victorian closure costs, in the 2001 financial year. This increased share of losses, being approximately $2,139,000, is disclosed at Note 5 Individually Significant Items.

Further, Coventry Group Ltd has been released from any further capital commitments in respect to Coventry Auto Parts Pty Ltd.

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:

G W Blackburn	P A Kyle
J M Donovan	R M McLean
B A Goddard	B R Watson
C M Kyle	

(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:

	2001	2000
Ordinary shares	**3,159,328**	3,115,943

(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.

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:

Transaction Type	**Terms and Conditions**	**2001 $000**	2000 $000
Purchases	(1)	**1,050**	1,293
Sales	(1)	**996**	607
Interest	(2)	**21**	1
Administration fees	(3)	**-**	32
Dividends received	(4)	**746**	1,588

(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) Administration expenses incurred by the parent entity relating to the administration of the consolidated entity are recharged to the appropriate controlled entities.

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

33. SEGMENT REPORTING

Industry Segments

	Automotive and Industrial Product Distribution $000	Bitumen Products $000	Gasket Manufacturing $000	Corporate $000	Eliminations $000	Consolidated $000
2001						
Sales to customers outside the consolidated entity	**330,667**	**16,458**	**12,374**	**-**	**-**	**359,499**
Intersegment sales	**106**	**7**	**1,698**	**-**	**(1,811)**	**-**
Other revenue	**4,661**	**-**	**-**	**26,727**	**-**	**31,388**
Total revenue	**335,434**	**16,465**	**14,072**	**26,727**	**(1,811)**	**390,887**
Consolidated revenue from ordinary activities						**390,887**
Segment result	**5,653**	**2,651**	**1,997**	**(4,651)**	**7,548**	**13,198**
Consolidated operating profit before income tax and extraordinary items						**13,198**
Segment assets	**184,485**	**4,975**	**12,254**	**90,883**	**(37,772)**	**254,825**
Total assets						**254,825**
2000						
Sales to customers outside the consolidated entity	310,423	15,827	12,994	-	-	339,244
Intersegment sales	151	12	1,467	-	(1,630)	-
Other revenue	4,209	-	-	6,489	-	10,698
Total revenue	314,783	15,839	14,461	6,489	(1,630)	349,942
Consolidated revenue from ordinary activities						349,942
Segment result	9,678	2,845	2,171	(6,792)	833	8,735
Consolidated operating profit before income tax and extraordinary items						8,735
Segment assets	160,943	4,484	12,657	111,322	(24,883)	264,523
Total assets						264,523

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 and Industrial Product Distribution	Automotive parts and accessories, mining and industrial consumables, 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 predominantly in Australia. More than 90% of revenue, profit from ordinary activities and segment assets relate to operations in Australia.

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 2001 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.

B R Watson
Director

Perth
4 September 2001

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 (the Company) for the financial year ended 30 June 2001 consisting of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying notes to and forming part of the financial statements and the directors' declaration. The Company's directors are responsible for the financial report which includes the financial statements of the Company and the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of, or during, the financial year. 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 the Company 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 2001 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

G F Brayshaw
Partner

Perth
4 September 2001

SHAREHOLDER INFORMATION as at 10 September 2001

TWENTY LARGEST SHAREHOLDERS

Name	Ordinary Shares Number	% of Total
1. Australian Foundation Investment Company Limited	2,891,743	8.56
2. JP Morgan Custodial Services Pty Ltd	2,685,470	7.95
3. JP Morgan Custodial Services Pty Ltd (EQUI A/C)	2,322,863	6.88
4. Dorsett Investments Pty Ltd	1,566,035	4.64
5. Swanwall Holdings Pty Ltd	1,343,535	3.98
6. Invia Custodian Pty Limited	1,188,273	3.52
7. Djerriwarrh Investments Limited	982,847	2.91
8. Tower Trust Limited	966,496	2.86
9. A Kyle	866,973	2.57
10. Devadius Pty Ltd	834,971	2.47
11. Australian United Investment Company Limited	713,714	2.11
12. Argo Investments Limited	542,350	1.61
13. Milton Corporation Limited	369,285	1.09
14. Martindale Holdings Pty Ltd	366,323	1.08
15. L J Cohen	297,600	0.88
16. G M Kyle	290,000	0.86
17. Cotswold Investments Pty Ltd	282,572	0.84
18. J M Smith	234,427	0.69
19. McCusker Holdings Pty Ltd	228,571	0.68
20. The Ian Potter Foundation Limited	213,434	0.63
	19,187,482	56.81

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	Shareholders Number	Shareholders %	Shares Number	Shares %
1 to 1,000	1,130	33.55	532,809	1.58
1,001 to 5,000	1,648	48.93	4,048,239	11.99
5,001 to 10,000	321	9.53	2,254,415	6.67
10,001 to 100,000	235	6.98	5,974,541	17.69
100,001 and over	34	1.01	20,964,402	62.07
	3,368	100.00	33,774,406	100.00

There were 263 holders of less than a marketable parcel of shares.

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders showed the following particulars as at 10 September 2001.

Name of Substantial Shareholder	Extent of Interest (No. of shares)	Date of Last Notification
Principal Mutual Holding Company (a)	4,754,506	02.09.99
Australian Foundation Investment Company Limited	2,891,743	02.02.01

(a) On 2 September 1999 the Company received an initial substantial shareholder notice from Principal Mutual Holding Company (PMHC) which advised that wholly owned subsidiaries of PMHC had completed the acquisition of all shares in BT Investments (Australia) Limited (which is the holding company for companies which conduct the BT Funds Management business in Australia) on 31 August 1999.

As a result of the acquisition, PMHC and its subsidiaries became entitled to shares in Coventry Group Ltd in respect of which those newly acquired subsidiaries hold a relevant interest.

On 1 January 2001 BT Funds Management sold its custodial activities to JP Morgan. However, PMHC and its subsidiaries still have a relevant interest in the shares.

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

Shareholder Enquiries

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

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 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.

Internet Site

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.