

Fleetwood

C O R P O R A T I O N

Corporate Directory

Directors

Stephen Gill
Peter Gunzburg
Naveen Pillay
Robert Prowse
Greg Tate

Registered Office

1964 Albany Highway
Maddington WA 6109
Tel: (08) 9459 2277
Fax: (08) 9493 3183
info@fleetwood.com.au

Company Secretary

Greg Tate

Share Registrar

Computershare Investor
Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Tel: (08) 9323 2000
Fax: (08) 9323 2033
services@computershare.com.au

Auditors

KPMG

Bankers

Westpac Banking Corporation

Solicitors

N C Pillay

Contents

Company History	2
Board of Directors	3
Managing Director's Review	4
Recreational Vehicles	6
Manufactured Accommodation	8
Parks	10
Financial Report	



Company History

Caravan retail
business sold.

Awarded Alice to Darwin
rail contract.

Flexiglass Challenge
Industries acquired.

2002

Coromal Caravans
moved premises.
Fleetwood Portables
supplies refugee accommodation.
Territory Transportables
acquired in NT.
Serada acquired in NZ.

2001

Camec acquired.
Fleetwood Portables established
in Karratha and Adelaide.
Exclusive provider of homes for
Lake Joondalup Lifestyle Village.

2000

Coromal Caravans acquired.

1999

Perth Holiday Park acquired.

Hertz Campervans
established in NZ.

Western Portables acquired.

1998

1997

Cooke Point
Holiday Park acquired.

1996

Hertz Campervans acquired.

1995

Caravan Parts of WA acquired.

1988

ASX Listing.

1987

Board of Directors



Back row: Naveen Pillay, Steve Gill, Front row: Greg Tate, Peter Gunzburg, Robert Prowse

Greg Tate

Managing Director, Executive Director

Chartered Accountant

Bachelor of Commerce

Director since 1987

Appointed Managing Director 1990

Lives in Perth. Age 50

Peter Gunzburg

Non-Executive Director, Chairman

Managing Director - Eurogold Ltd

Chairman - PieNetworks Ltd

Bachelor of Commerce

Appointed 2002

Lives in Perth. Age 50

Stephen Gill

*Marketing Director,
Executive Director*

Fleetwood executive since 1975

Director since 1990

Lives in Perth. Age 50

Robert Prowse

Non-Executive Director

Bachelor of Economics

Director since 1999

Lives in Melbourne. Age 51

Naveen Pillay

Non-Executive Director

Barrister and Solicitor

Bachelor of Jurisprudence,

Bachelor of Laws

Director since 1994

Lives in Perth. Age 52

Managing Director's Review



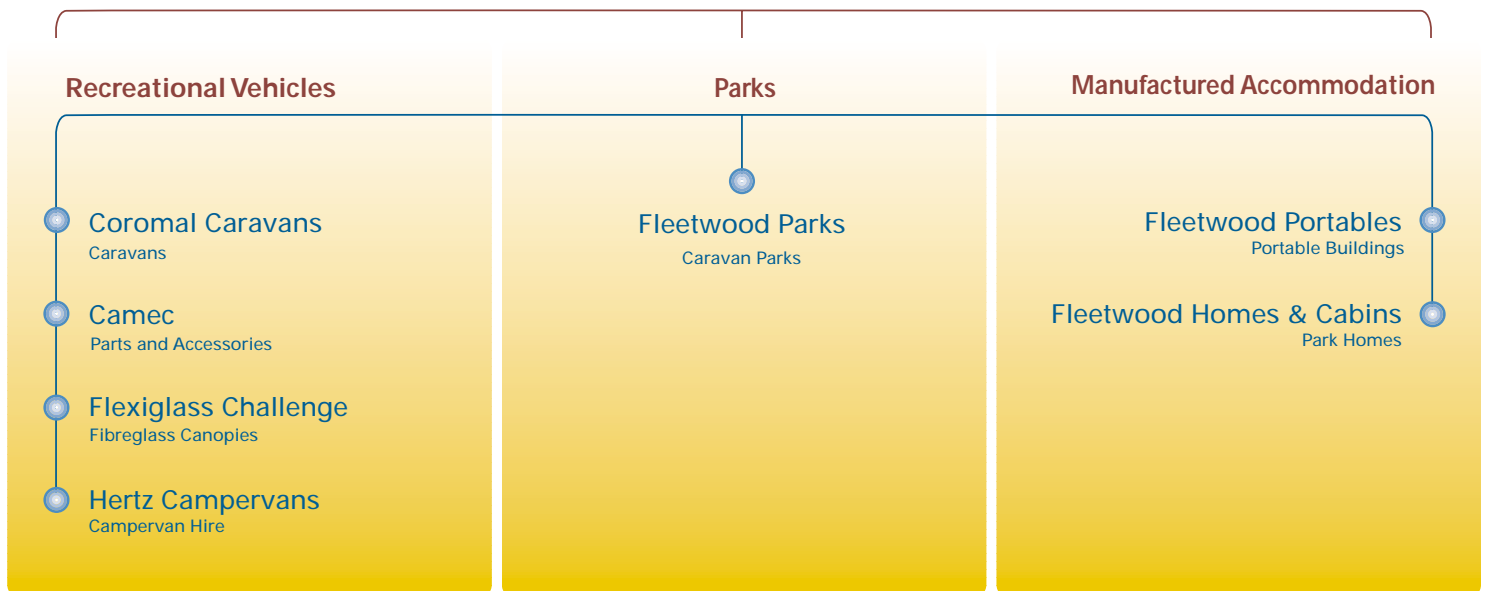
Greg Tate, Managing Director

For the ninth consecutive year Fleetwood shareholders have been rewarded with a record profit, with this years profit being up 70% to \$7.6 million. The result was even more significant as it was generated with very little contribution from developments in the resource sector.

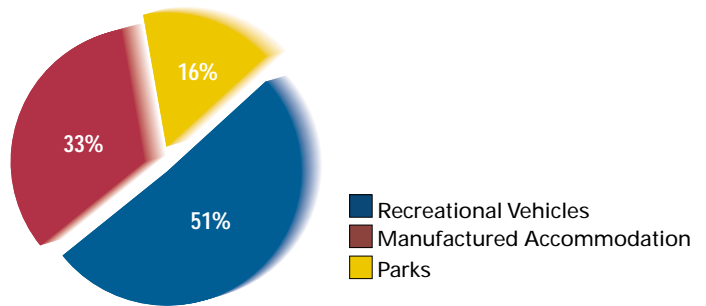
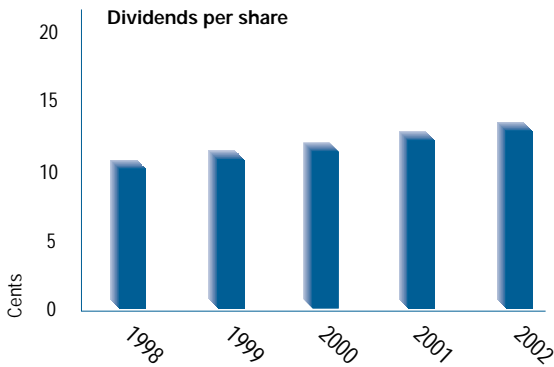
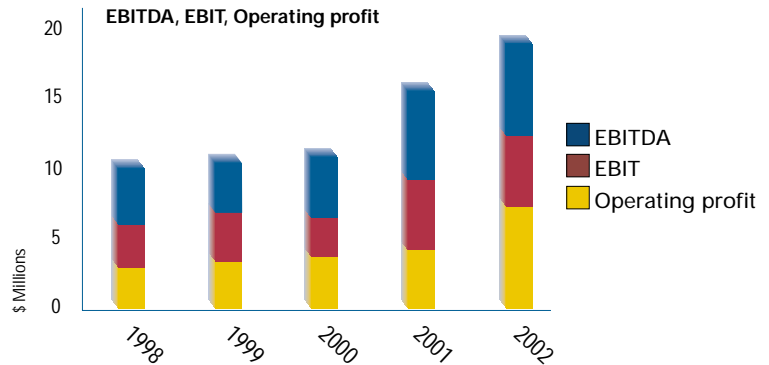
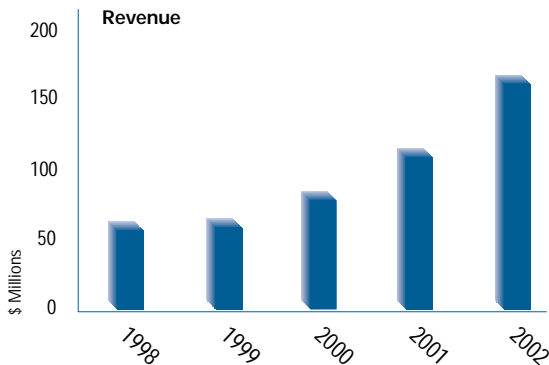
Financial Highlights

- Revenue increased 43% to \$167 million.
- EBITDA (Earnings before interest, tax, depreciation and amortisation) increased 21% to \$19.5 million.
- EBITA (Earnings before interest, tax and amortisation) increased 34% to \$14.8 million.
- EBIT (Earnings before interest and tax) increased 38% to \$13.4 million.
- Operating profit after tax increased 70% to \$7.6 million.

Fleetwood CORPORATION



Five Year Summary



	2002 \$000	2001 \$000	2000 \$000	1999 \$000	1998 \$000
Financial performance					
Revenue	166,695	116,738	78,765	61,005	60,788
Earnings before interest, tax, depreciation and amortisation (EBITDA)	19,463	16,112	12,089	11,420	10,093
Earnings before interest, tax and amortisation of goodwill (EBITA)	14,822	11,073	7,385	7,534	6,541
Earning before interest and tax (EBIT)	13,446	9,753	6,900	7,207	6,415
Interest expense	2,249	2,905	1,550	1,186	1,213
Interest cover (EBITA/Interest expense)	6.6	3.8	4.8	6.4	5.4
Operating profit after tax	7,572	4,445	3,764	3,710	3,331
Number of shares ('000)	36,779	35,729	32,519	27,263	22,694
Earnings per share (cents)	20.9	12.8	13.2	16.0	15.0
Dividends per share (cents)	13.0	12.0	11.5	11.0	10.5
Financial position					
Assets	112,418	111,811	88,609	63,260	51,838
Liabilities	63,981	67,974	50,086	32,149	28,445
Equity	48,437	43,837	38,523	31,111	23,393
Net debt/ Equity %	58.4%	95.2%	75.6%	53.3%	63.0%

Recreational Vehicles



Rod Bini, Camec



Brad Van Hemert, Coromal Caravans



Robert Klein, Flexiglass Challenge



David Pollard, Hertz Campervans

The acquisition of Serada in New Zealand together with strong growth in national caravan sales resulted in a 43% increase in EBIT for the Recreational Vehicles division

Camec

Camec and its division, Serada continue to dominate the component parts market of the RV industry in Australasia.

The Serada acquisition allowed Camec to secure the Australian distribution rights to products previously only distributed by Serada. Similarly Serada is now able to distribute in New Zealand products previously controlled by Camec. Rationalising the Australasian distribution rights of these products has had a positive effect on earnings for the division.

Caravan sales for all caravan manufacturers in Australia were significantly up on last year. This increased activity directly benefited Camec who is the major component supplier to the industry.

Coromal Caravans

Coromal Caravans had another record year with unit production increasing 21% compared to the previous year. National caravan registrations were estimated to be 15% higher than last year.

During the year Coromal relocated to new purpose built premises in Forrestfield in Western Australia. The 8,500 square metre facility will allow Coromal to further increase production numbers this year. The move to a lower rent district has resulted in the rental cost of premises remaining approximately the same even though the premises are substantially larger.

Flexiglass Challenge

Sales volumes for Flexiglass Challenge improved during the year as the negative effects of the GST on fleet and commercial vehicle sales declined.

Flexiglass Challenge has extended its product range to other Fleetwood divisions and has lifted its sourcing of component part needs from Camec.

The benefits of the integration between divisions in the Group will continue to have a significant effect in the future.

Hertz Campervans

The events of September 11 and the demise of Ansett continue to negatively impact the tourism industry in Australia and New Zealand.

Although Australia and New Zealand are seen as safe tourist destinations, we continue to take a conservative view on inbound tourist numbers for this financial year.

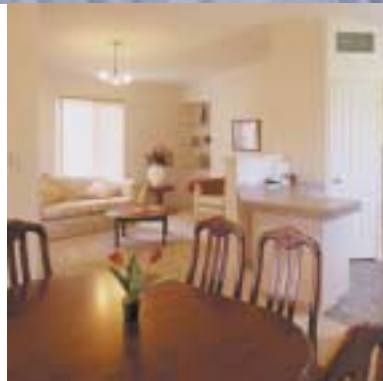


The acquisition of Serada in New Zealand together with strong growth in national caravan sales resulted in a 43% increase in EBIT for the Recreational Vehicles division

Manufactured Accommodation

Despite continued weakness in the resource sector the Manufactured Accommodation division increased EBIT by 42%





Alan MacKenzie, Fleetwood Portables

Despite continued weakness in the resource sector the Manufactured Accommodation division increased EBIT by 42%. Commercial activity in other areas, in particular refugee accommodation supported the EBIT growth. The market for park home retirement accommodation rebounded strongly in 2002 after the GST induced slump of the previous year.

Activity in the resource sector still remains subdued although at a level higher than in 2002.

Fleetwood Homes & Cabins

Retiree demand for park home accommodation continues to grow, as the advantage of the park home alternative of affordable retirement housing becomes more understood.



Greg Robertson, Fleetwood Homes & Cabins

Fleetwood Portables

The construction element of the Alice to Darwin Rail Project has now been completed. A full year of rental income for the accommodation buildings supplied to the project will be recognised in 2003.

Expected resource project development in Western Australia will see an increased demand this year for park home accommodation for remote area housing.

Parks

Occupancy rates in Port Hedland and Karratha continued last years upward trend resulting in EBIT in the Parks division increasing by 30%.



David Robertson, Fleetwood Parks

Occupancy rates in Port Hedland and Karratha continued last years upward trend resulting in EBIT in the Parks division increasing by 30%.

Accommodation demand associated with the BHP HBI project in Port Hedland has declined with the completion of the project but has been replaced by demand for accommodation for personnel associated with the BHP Port Area Capacity Expansion relating to the Mining Area C project.

The accommodation buildings in Port Hedland that were expected to be moved to Karratha for accommodation developments associated with North West Shelf Gas projects will now remain in Port Hedland.

This will provide significant opportunities for the Homes Division as we build replacement buildings to meet the expected increases in demand for accommodation in Karratha.

Dividends

A fully franked final dividend of 8 cents per share has been declared, giving shareholders fully franked dividends of 13 cents for the year compared to 12 cents last year, representing an increase of 8.3%.

Debt

Strong cash flows resulted in a significantly improved net debt/equity position of 58% compared to 95% last year. Further debt reduction is planned for the 2003 financial year.

Forecast

Fleetwood's activities are all focused in three of Australia's fastest growing market sectors – Retirement, Recreation and Resources.

Recent contract awards to Fleetwood to provide the construction workforce accommodation for the BHP Billiton Mining Area C project have provided the Manufactured Accommodation division with a strong start to this financial year.

Continued strong growth is expected in national caravan sales which will benefit Coromal and Camec.

Expected developments associated with the North West Shelf Gas projects will begin to positively impact the Parks and Manufactured Accommodation divisions in 2003 and beyond.

Our People

Fleetwood's people are strongly dedicated to the success of the company. Their energy and commitment are fundamental strengths of Fleetwood and again I thank them sincerely for their contribution to making Fleetwood a truly exciting growth story.

I also thank our shareholders for their ongoing support as we continue to advance the prospects for Fleetwood.



Greg Tate
Managing Director



ABN 69 009 205 261

Corporate Governance Statement

This statement outlines the main Corporate Governance practices that were in place throughout the financial year unless otherwise stated.

Board of Directors

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

The Board is responsible for the Corporate Governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring achievement of these goals.

Board Processes

The Board meets regularly in order to retain control over the consolidated entity and to monitor the executive management. The Board has established a framework for the management of the consolidated entity including a system of internal control, a business risk management process and appropriate ethical standards.

The agenda for meetings is prepared in conjunction with all directors. Standing items include the managing directors' report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in board discussions and directors have other opportunities, including visits to operations, for contact with a wider group of employees.

Composition of the Board

The composition of the Board is determined using the following principles:

- The Chairman of the Board should be an independent non-executive director.
- The Board should comprise a majority of non-executive directors.
- The Board should comprise directors with a range of expertise.
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive directors is linked to their holding of executive office.

Where a vacancy is considered to exist, the Board selects an appropriate candidate through consultation with external parties and consideration of the needs of shareholders and the consolidated entity. Such appointees must stand for election at the next general meeting of shareholders.

Auditors

Whilst the consolidated entity does not have a formally constituted audit committee, the Board reviews the performance of the external auditors on an annual basis and a representative of the board meets with them at least twice a year to review:

- The results and findings of the audit, the adequacy of accounting and financial controls, and to obtain feedback on the implementation of recommendations made.
- The draft financial statements and audit / review reports at year-end and half year.

The Board monitors the need to form an audit committee on a periodic basis.

Conflict of Interest

In accordance with the Corporations Act 2001 and the company's constitution directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the company. Where the Board believes that a significant conflict exists the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice at the consolidated entity's expense. A copy of advice received by the director is made available to all other members of the Board.

Executive and Director Remuneration

The group is not of a size or nature that would require a formally constituted remuneration committee. The remuneration of senior executives and directors is however considered by the Board on an annual basis.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that can be summarised as follows:

- Financial Reporting – there is a comprehensive budgeting system, with annual budgets approved by directors. Monthly results are reported against budget and revised forecasts for the year are prepared and presented to the Board regularly. The consolidated entity reports to shareholders yearly.
- Continuous Disclosure – the consolidated entity has a policy that all shareholders and investors have equal access to the company's information and has procedures to ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules. All information provided to the ASX is immediately posted to the Company's web site.
- Quality and Integrity of Personnel - the consolidated entity conducts a review of the ability and experience of potential employees prior to appointment. Informal appraisals are conducted regularly with continuous feedback and on the job monitoring and training for employees.

Business Risk Management

Major business risks arising from such matters as actions by competitors, government policy changes, the impact of exchange rate movements, difficulties in sourcing raw materials, and the purchase, development and use of information systems are considered by the Board.

The consolidated entity's risk management policies and procedures cover environment, occupational health and safety, property, financial reporting and internal control. Each business unit is responsible and accountable for implementing and managing the standards established.

Comprehensive practices are established such that:

- Capital expenditure and revenue commitments above a certain amount require prior Board approval.
- Financial exposures are controlled.
- Occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations.
- Business transactions are properly authorised and executed.

Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Ethical Standards

Fleetwood Corporation Limited recognises the need for directors and employees to observe the highest standard of behavior and business ethics in conducting its business.

The consolidated entity has developed formal ethical guidelines, encompassed in the consolidated entity's mission statement – "Delivering the Promise".

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

Role of Shareholders

The Board aims to ensure shareholders are informed of all major developments affecting the consolidated entity's state of affairs. Information is communicated to shareholders as follows:

- A full annual financial report is sent to all shareholders.
- A half-year financial report is prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act 2001 and is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange. The financial report is sent to any shareholder who requests it.
- Proposed major changes in the consolidated entity that may impact on share ownership rights are submitted to a vote of shareholders.
- Notices of meetings are distributed to all shareholders.

All documents that are released publicly are made available on the consolidated entity's Internet web site at www.fleetwood.com.au

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals.

Shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors and changes to the Constitution. Copies of the Constitution are available to any shareholder on request.

Directors' Report

Fleetwood Corporation Limited and its Controlled Entities

The directors present their report together with the financial report of Fleetwood Corporation Limited ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2002 and the auditor's report thereon.

Directors

The name, qualifications and experience of the directors who are in office at the date of the report are contained on page 3 of the Annual Report.

Directors' Meetings

The number of directors' meetings held and the number of meetings attended by each director of the Company during the financial year are:

	Board Meetings	
	Held	Attended
Stephen Gill	5	5
Oscar Guglielmi	2	2
Peter Gunzburg	3	3
Naveen Pillay	5	3
Robert Prowse	5	5
Greg Tate	5	5

Peter Gunzburg was appointed Chairman on 20th February 2002. Oscar Guglielmi resigned from the Board on 20th February 2002.

Principal Activities

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

- Manufacture and sale of caravans, parts and accessories, rental of recreation vehicles.
- Operation of caravan parks.
- Design, manufacture, sale and rental of park homes and portable buildings.

Review of Operations

A review of operations for the year is contained in the Managing Director's Review.

Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents per share	Amount \$ '000	Date of payment	Tax rate for franking credit
• As proposed and provided for in last year's report:				
- Final	7.5	<u>2,680</u>	30 Nov 2001	30% (Class C)
• In respect of current financial year:				
- Interim	5.0	1,818	30 Apr 2002	30% (Class C)
- Final	8.0	<u>2,942</u>	29 Nov 2002	30% (Class C)
		<u>4,760</u>		

All dividends paid or declared by the Company since the end of the previous financial year were 100% franked.

State of Affairs

The only significant change in the state of affairs of the consolidated entity during the financial year was acquisition of Serada Limited on 1 July 2001 for \$1,853,835 (refer note 27).

Likely Developments

The consolidated entity will continue to pursue its policy of increasing the profitability and market share of its major business sectors.

Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years, other than as disclosed in the Managing Director's Review, has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Directors' Emoluments

The board remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Details of the nature and amount of each major element of the emoluments of each director are:

	Base emolument \$	Superannuation contributions \$	Non-cash benefits \$	Total \$
Non-executive				
Peter Gunzburg	17,667	-	-	17,667
Naveen Pillay	40,000	-	-	40,000
Robert Prowse	40,000	-	-	40,000
Executive				
Stephen Gill	260,833	78,000	8,384	347,217
Greg Tate	302,500	78,000	11,638	392,138

Options

The Company did not grant any options over unissued ordinary shares to directors during or since the end of the financial year. At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Number of shares	Exercise price
30 October 2002	229,795	\$1.85
30 October 2003	118,250	\$0.96
30 October 2004	167,063	\$1.28
30 October 2004	920,000	\$1.40
30 October 2005	368,375	\$1.12
30 October 2006	388,350	\$1.12

All options expire on the earlier of their expiry date or termination of employment. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. During the year 175,317 shares were issued pursuant to the exercise of options.

Directors' Interests

The relevant interest of each director in the shares of the Company at the date of this report, as notified by the directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001 are as follows:

	Number of shares	Number of options
Stephen Gill	2,442,404	245,250
Naveen Pillay	10,000	37,750
Robert Prowse	-	30,000
Greg Tate	4,323,318	345,250

Indemnification of Directors and Officers

The Company has agreed to indemnify current and former directors of the Company and its controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Since the end of the previous financial year, the Company has paid insurance premiums of \$9,650 in respect of directors' and officers' liability and legal expenses for current and former directors and officers, including executive officers of the Company and its controlled entities. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual directors of the Company.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and accordingly amounts in the financial report and directors report have been rounded to the nearest one thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors:

G TATE
Director

27 September 2002

Statements of financial performance

Fleetwood Corporation Limited and its Controlled Entities

For the year ended 30 June 2002

	Note	Consolidated		The Company	
		2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000
Revenue from sale of goods	3	108,626	94,626	-	-
Revenue from rendering of services	3	29,287	3,376	4	3,242
Revenue from rental	3	20,520	16,643	100	143
Other revenue from ordinary activities	3	8,262	2,093	9,396	4,812
Total revenue	3	166,695	116,738	9,500	8,197
Materials used		(86,512)	(63,977)	-	-
Sub-contract labour used		(6,841)	(3,550)	-	-
Employee expenses		(20,012)	(18,109)	(1,705)	(1,280)
Operating leases		(7,591)	(4,359)	-	-
Written down value of assets disposed		(7,760)	(1,745)	(560)	(353)
Other expenses from ordinary activities		(18,516)	(8,886)	(56)	154
Profit from ordinary activities before interest, tax, depreciation and amortisation (EBITDA)		19,463	16,112	7,179	6,718
Depreciation and amortisation expenses	4	(6,017)	(6,359)	(287)	(304)
Profit from ordinary activities before interest and tax (EBIT)		13,446	9,753	6,892	6,414
Borrowing costs	4	(2,249)	(2,905)	(2,019)	(2,645)
Profit from ordinary activities before related income tax expense		11,197	6,848	4,873	3,769
Income tax (expense)/benefit relating to ordinary activities	5	(3,625)	(2,403)	(62)	182
Net profit attributable to members of the parent entity	23	7,572	4,445	4,811	3,951
Non-owner transaction changes in equity					
Net exchange difference relating to self-sustaining foreign operations	22	210	-	-	-
Total changes in equity from non-owner related transactions attributable to members of the parent entity		7,782	4,445	4,811	3,951
Basic earnings per share (cents)	7	20.9	12.8		
Diluted earnings per share (cents)	7	20.5	12.8		

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

Statements of financial position

Fleetwood Corporation Limited and its Controlled Entities

As at 30 June 2002

	Note	Consolidated		The Company	
		2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000
Current assets					
Cash assets	9	4,972	554	4,597	273
Receivables	10	19,716	23,268	155	524
Inventories	11	19,133	20,402	-	297
Total current assets		43,821	44,224	4,752	1,094
Non-current assets					
Receivables	10	659	668	192	276
Property, plant and equipment	12	44,225	42,957	2,181	2,071
Intangibles	13	23,098	23,466	1,456	2,121
Deferred tax assets		615	496	170	101
Other financial assets	14	-	-	12,241	13,904
Other	15	-	-	59,225	67,739
Total non-current assets		68,597	67,587	75,465	86,212
Total assets		112,418	111,811	80,217	87,306
Current liabilities					
Payables	16	19,296	17,087	202	944
Interest bearing liabilities	17	223	4,246	-	3,850
Provisions	20	4,565	4,007	3,309	2,894
Current tax liabilities		3,726	-	132	-
Total current liabilities		27,810	25,340	3,643	7,688
Non-current liabilities					
Interest bearing liabilities	17	33,053	38,031	33,000	37,750
Deferred tax liabilities		2,694	4,276	44	47
Provisions	20	424	327	200	120
Total non-current liabilities		36,171	42,634	33,244	37,917
Total liabilities		63,981	67,974	36,887	45,605
Net assets		48,437	43,837	43,330	41,701
Equity					
Contributed equity	21	43,233	41,656	43,233	41,656
Reserves	22	210	-	-	-
Retained profits	23	4,994	2,181	97	45
Total equity		48,437	43,837	43,330	41,701

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

Statements of cash flows

Fleetwood Corporation Limited and its Controlled Entities

For the year ended 30 June 2002

	Note	Consolidated		The Company	
		2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000
Cash flows from operating activities					
Cash receipts in the course of operations		180,760	112,251	647	1,392
Cash payments in the course of operations		(153,754)	(103,748)	(2,114)	(1,679)
Interest received		333	317	328	301
Income taxes (paid) refunded		(878)	(3,306)	48	(146)
Borrowing costs paid		(2,249)	(2,905)	(2,019)	(2,645)
Net cash provided by operating activities	27.2	24,212	2,609	(3,110)	(2,777)
Cash flows from investing activities					
Payment for acquired business	27.4	(1,960)	(8,916)	-	(30)
Proceeds from sale of non-current assets		7,929	1,945	508	16
Payment for property, plant and equipment		(13,124)	(5,487)	(292)	(42)
Payment for intangible asset		(610)	-	-	-
Net cash used in investing activities		(7,765)	(12,458)	216	(56)
Cash flows from financing activities					
Proceeds from issue of shares		202	50	202	50
Proceeds from borrowings		-	22,750	-	22,750
Repayment of borrowings		(9,109)	(12,038)	(8,600)	(10,560)
Dividends paid		(3,122)	(2,417)	(3,122)	(2,417)
Loans to controlled entities		-	-	18,738	(7,836)
Net cash provided by (used in) financing activities		(12,029)	8,345	7,218	1,987
Net increase (decrease) in cash held		4,418	(1,504)	4,324	(846)
Cash at the beginning of the financial year		554	2,058	273	1,119
Cash at the end of the financial year	9	4,972	554	4,597	273

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

Notes to the financial statements

Fleetwood Corporation Limited and its Controlled Entities

For the year ended 30 June 2002

1 Statement of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are as follows:

1.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. It has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Accounting policies have been consistently applied by each entity in the consolidated entity and, except where there are changes in accounting policy, are consistent with those of the previous year.

1.2 Principles of consolidation

The financial statements of controlled entities are included from the date control commences until the date control ceases.

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

1.3 Revenue recognition

Revenues are recognised at the fair value of consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Rendering of services and construction contracts

When the stage of contract completion can be reliably measured, revenue is recognised in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed.

Where the outcome of a contract cannot be reliably estimated, contract costs are expensed as incurred. Where it is probable that the costs will be recovered, revenue is only recognised to the extent of costs incurred. An expected loss is recognised immediately as an expense.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Dividends

Revenue from dividends and distributions from controlled entities is recognised by the parent entity when they are declared by the controlled entities.

Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised as revenue.

1.4 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

1.5 Foreign currency

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rate of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

Translation of controlled foreign operations

The assets and liabilities of foreign operations, including controlled entities, associates and joint ventures, that are self-sustaining are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. The statements of financial performance are translated at a weighted average rate for the year. Exchange differences arising from translation are taken directly to the foreign currency reserve until the disposal, or partial disposal of the operations.

1.6 Acquisition of assets

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised in the cost of the asset.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits generated as a result of the costs incurred and it is probable that those future economic benefits will eventuate and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

1.7 Taxation

The consolidated entity adopts the liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a deferred tax liability.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effects of capital losses are not recorded unless realisation is virtually certain.

1.8 Receivables

Trade debtors are normally settled within 60 days and are carried at amounts due. The collectability of debts is assessed at year-end and a specific provision is made for any doubtful debts.

1.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on the first-in first-out basis and for work in progress, includes an appropriate share of both variable and fixed costs. Net realisable value is determined on the basis of each entity's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

1.10 Recoverable amount of non-current assets valued on cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value, except where specifically stated.

1.11 Investments

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

1.12 Leased assets

Leases under which the Company and its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases

Finance leases are capitalised. Lease assets and lease liabilities equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.13 Goodwill

Goodwill, representing the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired is amortised on a straight line basis over the period of time during which benefits are expected to arise which is currently twenty years. The unamortised balance of goodwill is reviewed at least annually. Where the balance exceeds the value of expected future benefits, the difference is charged to the statement of financial performance.

1.14 Depreciation and amortisation

All assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives. Finance lease assets are amortised over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected in current and future periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

The depreciation / amortisation rates used for each class of asset are as follows:

	2002	2001
Property, plant and equipment		
Buildings	5%	5%
Leasehold improvements	4% - 25%	4% - 25%
Plant and equipment	2.5% - 40%	2.5% - 40%
Leased plant & equipment	15%	15%
Intangibles		
Goodwill	5%	5%

1.15 Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, regardless of whether they have been billed to the Company or consolidated entity. Trade accounts payable are normally settled within 60 days.

1.16 Interest bearing liabilities

Bank loans are recognised at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in "Other creditors and accruals".

1.17 Employee entitlements

Wages, salaries and annual leave

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on current wage and salary rates and includes related on-costs.

Long service leave

The provision for employee entitlements to long service leave represents the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlements dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities.

Share option plans

The Company has granted options to certain employees under share option plans. Other than the costs incurred in administering the schemes, which are expensed as incurred, the schemes do not result in any expense to the consolidated entity.

Superannuation plan

The Company and other controlled entities contribute to employee superannuation funds. Contributions are charged against income as they are made.

2 Change in accounting policy

(a) Earnings per share

The consolidated entity has applied AASB 1027 Earnings Per Share (issued June 2001) for the first time from 1 July 2001.

Basic and diluted earnings per share ("EPS") for the comparative period ended 30 June 2001 have been adjusted so that the basis of calculation used is consistent with that of the current period.

Diluted earnings per share

Diluted EPS earnings are now calculated by only adjusting the basic EPS earnings for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, rather than including the notional earnings on the funds that would have been received by the entity had the potential ordinary shares been converted.

The diluted EPS weighted average number of shares now includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares, rather than the total number of dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average market price.

(b) Segment Reporting

The consolidated entity has applied the revised AASB 1005 Segment Reporting (issued in August 2000) for the first time from 1 July 2001.

Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks and returns.

(c) Changes not applied at half-year

Vehicles held for resale previously classified as current assets are now classified as non-current.

(d) Foreign currency translation

The consolidated entity has applied the revised AASB 1012 Foreign Currency Translation (issued in November 2000) for the first time from 1 July 2001.

Income tax expenses/revenues arising from exchange differences recognised in net profit or loss relating to foreign currency monetary items forming part of the net investment in a self-sustaining foreign operation are now eliminated against the foreign currency translation reserve ("FCTR") on consolidation.

Consolidated		The Company	
2002	2001	2002	2001
\$ '000	\$ '000	\$ '000	\$ '000

3 Revenue from ordinary activities

From operating activities:

Sale of goods	108,626	94,626	-	-
Rendering of services	29,287	3,376	4	3,242
Rentals	20,520	16,643	100	143

Other revenues:

From operating activities:

Dividends from related parties	-	-	4,850	3,770
Interest:				
Related parties	-	-	3,710	725
Other parties	333	317	328	301

From outside operating activities:

Gross proceeds from sale of non-current assets	7,929	1,776	508	16
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Total other revenues	8,262	2,093	9,396	4,812
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Total revenue from ordinary activities	166,695	116,738	9,500	8,197
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4 Profit from ordinary activities before income tax expense

Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:

Cost of sales	95,324	72,542	-	-
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Depreciation of:

buildings	109	109	20	20
plant and equipment	4,256	4,574	98	99

	4,365	4,683	118	119
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Amortisation of:

goodwill	1,376	1,320	169	185
leased plant & equipment	52	71	-	-
leasehold improvements	224	285	-	-

	1,652	1,676	169	185
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Total depreciation & amortisation	6,017	6,359	287	304
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Borrowing costs:

Bank loans and overdraft	2,232	2,839	2,019	2,645
Finance charges on capitalised leases	17	66	-	-

	2,249	2,905	2,019	2,645
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Net bad and doubtful debts expense including movements in provision for doubtful debts	246	76	-	-
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Net expense from movements in provision for employee entitlements	392	272	233	37
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Net foreign exchange gain	(54)	(17)	-	-
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Operating lease rental expense	7,591	4,359	-	-
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Net (gain)/loss on disposal of property, plant and equipment	(254)	(32)	53	(1)
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Consolidated		The Company	
2002	2001	2002	2001
\$ '000	\$ '000	\$ '000	\$ '000

5 Taxation

Income tax expense

Prima facie income tax expense calculated at 30% (2001: 34%) on the profit from ordinary activities

3,376	2,328	1,462	1,281
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Increase in income tax expense due to:

Depreciation of buildings	25	29	6	7
Amortisation of goodwill	413	449	51	63
Amortisation of leasehold improvements	11	27	-	-
Sundry items	23	4	1	1

Decrease in income tax expense due to:

Rebatable dividend income	-	-	(1,455)	(1,282)
Research & development allowance	(44)	-	-	-
Non-assessable profit on disposal of property, plant and equipment	(55)	(85)	-	(85)
Tax benefits not previously brought to account	-	(119)	-	-
Tax benefit on losses transferred from a controlled entity	-	-	-	(144)
Over provision prior year	(124)	-	(3)	-

Income tax expense on the profit from ordinary activities before individually significant income tax items

3,625	2,633	62	(159)
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Individually significant income tax items:

Restatement of deferred tax balances due to change in company tax rate	-	(230)	-	(23)
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Income tax expense attributable to profit from ordinary activities

3,625	2,403	62	(182)
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6 Dividends

Final 2002 - provided 8.0 cents per share fully franked

2,942	-	2,942	-
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Interim 2002 - paid 5.0 cents per share fully franked

1,818	-	1,818	-
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Final 2001 - provided 7.5 cents per share fully franked

-	2,680	-	2,680
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Interim 2001 - paid 4.5 cents per share fully franked

-	1,587	-	1,587
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4,760	4,267	4,760	4,267
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Dividend franking account

30% franking credits available to shareholders of Fleetwood Corporation Limited for subsequent years

10,799	3,104	370	(615)
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7 Earnings per share

Options outstanding under the Employee Share Option plan have been classified as potential ordinary shares and included in diluted earnings per share

Basic earnings used in the calculation

7,572	4,445
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Number of shares used as the denominator:

Basic earnings per share

36,194,903	34,774,713
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Diluted earnings per share

37,024,443	34,833,835
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8 Segment information

Primary reporting

Business segments

The consolidated entity comprises the following main business segments, based on the consolidated entity's management reporting system.

Divisions

Products / Services

Recreational Vehicles	Manufacture and sale of caravans, parts and accessories, rental of recreation vehicles
Parks	Operation of caravan parks
Manufactured Accommodation	Design, manufacture, sale and rental of park homes and portable buildings

Inter-segment pricing is determined on an arms length basis.

	Operating revenue		Depreciation & amortisation		Earnings before interest & tax	
	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000
Recreational Vehicles	101,941	75,989	3,122	3,594	7,761	5,549
Parks	9,075	6,602	837	943	2,407	1,847
Manufactured Accommodation	55,335	33,753	1,772	1,518	5,097	3,589
Unallocated	344	394	286	304	(1,819)	(1,232)
	166,695	116,738	6,017	6,359	13,446	9,753
Interest expense					(2,249)	(2,905)
Profit from ordinary activities before tax					11,197	6,848
Income tax expense					(3,625)	(2,403)
Profit from ordinary activities after tax					7,572	4,445

	Segment assets		Acquisitions of non-current assets		Segment liabilities	
	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000
Recreational Vehicles	57,259	56,235	5,482	9,873	15,000	12,283
Parks	18,073	19,898	933	1,159	1,640	1,040
Manufactured Accommodation	30,236	32,481	8,271	2,753	10,454	8,984
Unallocated	6,850	3,197	292	42	36,887	45,667
	112,418	111,811	14,978	13,827	63,981	67,974

Secondary reporting

Geographical segments

Geographical segment assets and revenue are based on locations of assets and customers respectively. The consolidated entity's business segments operate geographically as follows:

Australia	Operations in all States and Territories except Tasmania
New Zealand	Operations in Auckland and Christchurch

	Segment assets		Acquisitions of non-current assets		Operating revenue	
	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000
Australia	106,777	109,446	11,347	13,691	156,665	114,320
New Zealand	5,641	2,365	3,631	136	10,030	2,418
	112,418	111,811	14,978	13,827	166,695	116,738

Consolidated		The Company	
2002	2001	2002	2001
\$ '000	\$ '000	\$ '000	\$ '000

9 Cash assets

Cash	4,972	554	4,597	273
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Cash is at call and paying interest at a weighted average rate of 3.4% (2001: 3.6%)

10 Receivables

Current

Short term deposits	23	21	-	-
Trade debtors	17,100	20,656	1	32
Term loans - secured	59	58	-	-
Other loans	78	144	78	144
Other debtors	2,456	1,540	76	298
Income tax refund	-	849	-	50
	19,716	23,268	155	524

Non-current

Term loans - secured	467	392	-	-
Other loans	192	276	192	276
	659	668	192	276

The weighted average effective interest rates on interest bearing receivables are:

Term loans - secured 12.5% (2001: 12.5%)

Other loans 8% (2001: 8%)

11 Inventories

Current

Raw materials & stores - at cost	3,448	8,134	-	-
Work in progress - at cost	1,727	2,004	-	-
Construction work in progress	1,467	2,729	-	-
Finished goods - at cost	12,491	7,535	-	297
	19,133	20,402	-	297

Construction work in progress comprises:

Construction costs incurred to date	1,467	4,459	-	-
Profit recognised to date	-	866	-	-
Less progress billings	-	(2,596)	-	-
Net construction work in progress	1,467	2,729	-	-

Consolidated		The Company	
2002	2001	2002	2001
\$ '000	\$ '000	\$ '000	\$ '000

12 Property, plant and equipment

Freehold land				
At cost	5,370	5,176	1,120	1,114
Buildings				
At cost	3,371	3,371	800	800
Accumulated depreciation	(861)	(752)	(220)	(200)
	2,510	2,619	580	600
Leasehold improvements				
At cost	5,842	6,713	-	-
Accumulated amortisation	(1,871)	(1,799)	-	-
	3,971	4,914	-	-
Plant and equipment				
At cost	43,998	43,829	724	603
Accumulated depreciation	(11,741)	(13,903)	(243)	(246)
	32,257	29,926	481	357
Leased plant and equipment				
At capitalised cost	210	546	-	-
Accumulated amortisation	(93)	(224)	-	-
	117	322	-	-
	44,225	42,957	2,181	2,071

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant & equipment are set out below:

Freehold land

Carrying amount at beginning of year	5,176	5,176	1,114	1,114
Additions	194	-	6	-
Carrying amount at end of year	5,370	5,176	1,120	1,114

Buildings

Carrying amount at beginning of year	2,619	2,676	600	620
Additions	-	52	-	-
Depreciation	(109)	(109)	(20)	(20)
Carrying amount at end of year	2,510	2,619	580	600

Note	Consolidated		The Company	
	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000

12 Property, plant and equipment (continued)

Reconciliations (continued)

Leasehold improvements

Carrying amount at beginning of year	4,914	5,147	-	-
Additions	14	52	-	-
Disposals	(733)	-	-	-
Amortisation	(224)	(285)	-	-
Carrying amount at end of year	3,971	4,914	-	-

Plant and equipment

Carrying amount at beginning of year	29,926	30,266	357	767
Additions	12,915	5,261	286	42
Disposals	(6,378)	(1,745)	(64)	(353)
Acquisition through entity acquired	50	718	-	-
Depreciation	(4,256)	(4,574)	(98)	(99)
Carrying amount at end of year	32,257	29,926	481	357

Leased plant and equipment

Carrying amount at beginning of year	322	75	-	-
Disposals	(153)	-	-	-
Acquisition through entity acquired	-	318	-	-
Amortisation	(52)	(71)	-	-
Carrying amount at end of year	117	322	-	-

The directors' valuation of land, buildings, leasehold improvements and plant and equipment used in the caravan park operations of approximately \$19,000,000 was carried out at 30 June 2000 and was on the basis of the open market values for existing use. This value has not been reflected in the consolidated accounts.

13 Intangibles

Goodwill - at cost	26,792	25,887	2,280	2,880
Accumulated amortisation	(3,694)	(2,421)	(824)	(759)
	23,098	23,466	1,456	2,121

14 Other financial assets

Investment in controlled entities - at cost	-	-	12,241	13,904
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15 Other non-current assets

Loans and advances - controlled entities	30	-	59,225	67,739
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	Note	Consolidated		The Company	
		2002	2001	2002	2001
		\$ '000	\$ '000	\$ '000	\$ '000
16 Payables					
Trade creditors		14,759	13,790	-	634
Payments in advance		-	114	-	-
Other creditors and accruals		4,537	3,183	202	310
		19,296	17,087	202	944

17 Interest bearing liabilities

Current

Bank loans - secured	18	-	3,850	-	3,850
Hire purchase creditors	18	171	224	-	-
Lease liabilities	19	52	172	-	-
		223	4,246	-	3,850

Non-current

Bank loans - secured	18	33,000	37,750	33,000	37,750
Hire purchase creditors	18	-	177	-	-
Lease liabilities	19	53	104	-	-
		33,053	38,031	33,000	37,750

18 Financing arrangements

The economic entity has access to the following lines of credit:

Total facilities available:

<i>Bank overdraft</i>		6,131	2,869	6,131	2,869
<i>Bank loans</i>		33,000	41,958	33,000	41,958
<i>Bank guarantees</i>		569	273	569	273
<i>Hire purchase</i>		171	401	-	-
<i>Finance leases</i>		105	276	-	-
		39,976	45,777	39,700	45,100

Facilities utilised at balance date:

<i>Bank loans</i>		33,000	41,600	33,000	41,600
<i>Bank guarantees</i>		569	273	569	273
<i>Hire purchase</i>		171	401	-	-
<i>Finance leases</i>		105	276	-	-
		33,845	42,550	33,569	41,873

Facilities not utilised at balance date:

<i>Bank overdraft</i>		6,131	2,869	6,131	2,869
<i>Bank loans</i>		-	358	-	358
		6,131	3,227	6,131	3,227

18 Financing arrangements (continued)

Bank overdrafts

Bank overdrafts are secured by a mortgage debenture over the assets of the consolidated entity. The overdrafts are payable on demand and are subject to annual review.

Interest on bank overdrafts is charged at prevailing market rates. The effective interest rate at 30 June 2002 was 8.0% (2001: 8.25%).

Bank loans

Bank loans are secured by a mortgage debenture over the assets of the consolidated entity. The loans bear interest at the banks prime rate plus 1.25%pa (2001: 1.25%pa). The effective annual interest rate at 30 June 2002 was 6.13% (2001: 6.3%).

Hire purchase facilities

Hire purchase facilities are secured over the assets financed and by interlocking guarantees of controlled entities. These facilities are reviewed continuously and interest rates vary between 8.2% and 9.5% (2001: between 8.2% and 9.5%).

	Note	Consolidated		The Company	
		2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000
19 Commitments					
Operating lease expense commitments					
Future operating lease commitments not provided for in the financial statements and payable:					
<i>Within one year</i>		8,677	6,045	-	-
<i>One year or later and no later than five years</i>		7,894	6,543	-	-
<i>Later than five years</i>		2,574	2,273	-	-
		19,145	14,861	-	-
Finance lease payment commitments					
<i>Within one year</i>		58	189	-	-
<i>One year or later and no later than five years</i>		56	113	-	-
		114	302	-	-
<i>Less : Future lease finance charges</i>		(9)	(26)	-	-
		105	276	-	-
Lease liabilities provided for in the financial statements:					
Current	17	52	172	-	-
Non-current	17	53	104	-	-
Total lease liability		105	276	-	-

The consolidated entity leases plant and equipment and land using finance and operating leases. The lease terms range from 2 to 25 years.

Note	Consolidated		The Company	
	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000

20 Provisions

Current

Dividends	6	2,942	2,680	2,942	2,680
Employee entitlements		1,623	1,327	367	214
		4,565	4,007	3,309	2,894

Non-current

Employee entitlements		424	327	200	120
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Aggregate employee entitlements		2,047	1,654	567	334
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Employee entitlements

Employee entitlements not expected to be settled within twelve months of balance date have not been discounted to their present value as this discount amount is not considered material.

The consolidated entity had 648 employees at 30 June 2002 (2001: 619).

Superannuation commitments

The consolidated entity operates a number of superannuation plans, which provide accumulated benefits, which are defined by contributions based on salary levels. There is a vesting schedule, which provides resignation benefits prior to retirement.

Employee share option plan

On 31 October 2001, the Company granted options over 414,350 shares to employees under the Employee Share Option Plan. The options, subject to the conditions of the plan, are exercisable after 31 October 2002 and before 30 October 2006 at \$1.12 per share.

175,317 (2001: 57,550) shares were issued under the plan during the financial year. The market value at the date of issue of the shares was \$315,520 (2001: \$90,988) and the total amount received from employees was \$202,462 (2001: \$49,712). At the date of this report 1,091,833 unissued shares were under option as follows:

Expiry date	Number of shares	Exercise price
30 October 2002	229,795	\$1.85
30 October 2003	118,250	\$0.96
30 October 2004	167,063	\$1.28
30 October 2005	188,375	\$1.12
30 October 2006	388,350	\$1.12

At 30 June 2002 the market value of shares to which these options relate was \$2.55 per share.

Executive share option plan

No options were issued under the plan during the year.

No shares were issued pursuant to the executive option plan during the financial year. At 30 June 2002 the market value of shares to which these options relate was \$2.55 per share. At the date of this report there were 1,100,000 unissued shares under options as follows:

Expiry date	Number of shares	Exercise price
30 October 2004	920,000	\$1.40
30 October 2005	180,000	\$1.12

Note	Consolidated		The Company	
	2002 \$ '000	2001 \$ '000	2002 \$ '000	2001 \$ '000

21 Contributed equity

Issued and paid-up capital

36,778,694 (2001: 35,728,746) ordinary shares, fully paid	43,233	41,656	43,233	41,656
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Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings.

Movements in ordinary share capital

Balance at the beginning of the year	41,656	36,520	41,656	36,520
Shares issued	1,577	5,136	1,577	5,136
	43,233	41,656	43,233	41,656

During the year the following ordinary shares were issued:

Date	Number	Details
30 Nov 2001	656,614	issued at \$1.43 per share in accordance with the company's Dividend Reinvestment Plan.
30 Apr 2002	218,017	issued at \$2.00 per share in accordance with the company's Dividend Reinvestment Plan.
30 Jun 2002	175,317	Issued in accordance with the Employee Share Plan.

22 Reserves

Foreign currency translation	210	-	-	-
<i>Foreign currency translation</i>				
Balance at beginning of year	-	-	-	-
AASB 1012 Foreign Currency Translation adjustment	210	-	-	-
Balance at end of year	210	-	-	-

23 Retained profits

Retained profit at beginning of year	2,181	2,003	45	361
Net profit attributable to members of the parent entity	7,572	4,445	4,811	3,951
Dividends	(4,760)	(4,267)	(4,760)	(4,267)
Retained profits at the end of the year	4,994	2,181	97	45

Consolidated		The Company	
2002	2001	2002	2001
\$	\$	\$	\$

24 Auditors' remuneration

Audit services	85,000	75,000	85,000	75,000
Other services	200	27,500	200	27,500
	85,200	102,500	85,200	102,500

25 Additional financial instruments disclosure

Interest rate risk

Exposure to interest rate risk on financial assets and liabilities, both recognised and unrecognised, has been disclosed in Notes 9, 10 and 18.

Credit risk exposures

Credit risk represents the loss that would be recognised if counter parties failed to perform as contracted. The credit risk on financial assets of the consolidated entity, which have been recognised in the statements of financial position is the carrying amount, net of any provision for doubtful debts. Credit risk is minimized by transacting with large number of customers.

Net fair value of financial assets and liabilities

The net fair value of financial assets and liabilities, which have been recognised on the statements of financial position, is the relevant contractual cash flows due from customers or suppliers. The relevant contractual cash flows have not been discounted to their present value. The carrying values approximate net fair value.

Foreign currency exposures

The consolidated entity has no significant exposure to foreign currency fluctuation and had the following amounts receivable and payable in New Zealand Dollars at year end:

	AUD Equivalent	
	2002	2001
Receivables	1,287,018	247,051
Payables	526,548	353,230

26 Deed of cross guarantee

Pursuant to an ASIC Class Order 98/1418 dated 13 August 1998, relief was granted to the wholly owned subsidiaries listed below from the requirement to prepare, have audited and lodge financial reports.

It is a condition of the Class Order that the Company and each of the subsidiaries listed below enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up any subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Law, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

Subsidiaries subject to the deed are:

- Fleetwood Homes & Cabins Pty Ltd
- Flexiglass Challenge Pty Ltd
- Coromal Caravans Pty Ltd
- Fleetwood Parks Pty Ltd
- Fleetwood Portables Pty Ltd
- Fleetwood Campervans Pty Ltd (formerly Camperent Australia Pty Limited)
- Fleetwood Finance (WA) Pty Ltd
- Camec Pty Ltd
- Camec (Qld) Pty Ltd
- Limecole Pty Ltd

At balance date, the Company and subsidiaries which are a party to the Deed have aggregate assets of \$108,968,281, aggregate liabilities of \$61,153,897 and their contribution to the consolidated operating profit after income tax for the year was \$7,030,135.

A consolidated statement of financial performance and consolidated statements of financial position comprising the Company and its subsidiaries, which are party to the deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2002 is set out on the following page:

Consolidated
2002 2001
\$ '000 \$ '000

26 Deed of cross guarantee (continued)

Statements of financial performance

Profit from ordinary activities before income tax	10,576	6,775
Income tax expense relating to ordinary activities	(3,340)	(2,404)
Net profit	7,236	4,371
Retained profit at beginning of year	2,107	2,003
	9,343	6,374
Dividends provided or paid	(4,760)	(4,267)
Retained profits at end of year	4,583	2,107

Statements of financial position

Cash assets	4,691	412
Receivables	18,638	23,117
Inventories	17,161	19,997
Other	-	5,464
Total current assets	40,490	48,990
Receivables	659	667
Investments	175	54
Property, plant and equipment	44,033	37,409
Intangibles	22,999	23,361
Deferred tax assets	612	494
Total non-current assets	68,478	61,985
Total assets	108,968	110,975
Payables	18,790	16,788
Interest bearing liabilities	223	4,246
Provisions	4,556	4,056
Current tax liabilities	3,662	-
Total current liabilities	27,231	25,090
Interest bearing liabilities	30,804	37,519
Deferred tax liabilities	2,694	4,276
Provisions	424	327
Total non-current liabilities	33,922	42,122
Total liabilities	61,153	67,212
Net assets	47,815	43,763
Contributed equity	43,232	41,656
Retained profits	4,583	2,107
Total equity	47,815	43,763

Consolidated		The Company	
2002	2001	2002	2001
\$ '000	\$ '000	\$ '000	\$ '000

27 Notes to the statements of cash flows

27.1 Reconciliation of cash

Cash	4,972	554	4,597	273
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27.2 Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities

Operating profit after income tax	7,572	4,445	4,811	3,951
Add (less) items classified as investing / financing activities:				
Profit on sale of non-current assets	(254)	(32)	53	(1)
Add (less) non-cash items:				
Interest	-	-	(3,710)	(725)
Rendering of services	-	-	-	(3,150)
Dividends	-	-	(4,850)	(3,770)
Amortisation	1,652	1,676	169	185
Depreciation	4,365	4,683	118	119
Amounts set aside to provisions	392	269	233	36
(Decrease) increase in income taxes payable	4,446	(1,910)	182	(141)
Increase (decrease) in deferred taxes payable	(1,700)	1,008	(72)	(188)
Net cash provided by operating activities before change in assets and liabilities	16,473	10,139	(3,066)	(3,684)
Changes in assets and liabilities adjusted for effects of purchase and disposal of controlled entities during the financial year:				
(Increase) decrease in inventories	2,330	(3,164)	297	85
(Increase) decrease in other debtors	(843)	677	370	546
(Increase) decrease in trade debtors	4,202	(10,190)	31	460
(Decrease) increase in trade creditors	2,050	5,147	(742)	(184)
Net cash provided by operating activities	24,212	2,609	(3,110)	(2,777)

27.3 Non-cash financing and investing activities

During the year, dividends of \$1,374,844 (2001: \$1,235,683) were reinvested with the Company as 874,631 (2001: 952,081) fully paid ordinary shares.

The Company received dividends of \$6,513,795 from controlled entities by way of an increase in controlled entities loan accounts. The amount includes \$1,663,617 from pre-acquisition reserves.

Consolidated		The Company	
2002	2001	2002	2001
\$ '000	\$ '000	\$ '000	\$ '000

27 Notes to the statements of cash flows (continued)

27.4 Acquisition of businesses

Consideration	1,854	12,790	-	54
Share issue	-	(3,850)	-	-
	1,854	8,940	-	54
Cash acquired	106	(24)	-	(24)
<i>Outflow of cash</i>	1,960	8,916	-	30
Fair value of net assets acquired:				
<i>Property, plant & equipment</i>	48	864	-	52
<i>Inventories</i>	1,061	4,390	-	250
<i>Cash</i>	(106)	24	-	24
<i>Trade & other debtors</i>	646	116	-	116
<i>Trade & other creditors</i>	(562)	(224)	-	(486)
<i>Provisions</i>	(128)	(264)	-	(13)
	959	4,906	-	(57)
Goodwill on acquisition	895	7,884	-	111
Share issue	-	(3,850)	-	-
Consideration (cash)	1,854	8,940	-	54

During the year, the consolidated entity purchased a 100% interest in Serada Limited (2001: Flexiglass Challenge Industries).

28 Contingent liabilities

Details of contingent liabilities which may become payable are set out below. The directors are not aware of any circumstances or information that would lead them to believe that these liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.

Guarantees

Under the terms of the Deed of Cross Guarantee described in Note 26, the Company has guaranteed the repayment of all current and future creditors in the event any of the entities which are party to the Deed are wound up. No deficiency in net assets exists in these companies.

29 Particulars relating to controlled entities

	Interest held	
	2002	2001
	%	%
Fleetwood Corporation Limited		
Controlled entities		
Fleetwood Homes & Cabins Pty Ltd	100	100
Flexiglass Challenge Pty Ltd	100	100
Fleetwood Parks Pty Ltd	100	100
Coromal Caravans Pty Ltd	100	100
Fleetwood Campervans Pty Ltd (formerly Camperent Australia Pty Ltd)	100	100
Fleetwood Portables Pty Ltd	100	100
Fleetwood Finance (WA) Pty Ltd	100	100
Camec Pty Ltd	100	100
Camec (Qld) Pty Ltd	100	100
Limecole Pty Ltd	100	100
Flexiglass Challenge Industries NZ Limited	100	100
Serada Limited	100	-

30 Related parties

Directors

The names of each person holding the position of director of Fleetwood Corporation Limited during the financial year are S Gill, O Guglielmi, P Gunzburg, N Pillay, R Prowse, and G Tate. Details of directors' remuneration are set out in Note 31.

N Pillay provided legal advice to the Company to the value of \$2,762 (2001: \$13,086). Advice was provided in the normal course of business and under normal terms and conditions.

No director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year-end.

From time to time, directors of the Company or its controlled entities may purchase goods from the consolidated entity. These purchases are on the same terms and conditions as those entered into by other consolidated entity employees.

Directors' shareholdings

The interests of directors of the consolidated entity and their director-related entities in shares and options of the consolidated entity at 30 June 2002 are:

	2002	2001
	Number held	
Fully paid shares	6,775,722	10,254,385
Options over fully paid shares	658,250	682,250

During the year, no options were exercised by the directors.

Loans to directors

Loans to directors of \$270,000 were outstanding at 30 June 2002 (2001: \$420,000). During the year \$150,000 was repaid. Interest received on the loans totalled \$28,616. Interest on loans to directors is payable at the rate of 8% pa. The principal amounts are repayable before 31 December 2004 or within 30 days of cessation of employment.

Controlled entities

Details of interests in controlled entities are set out in Note 29. Details of dealings with controlled entities are set out below.

Inter-company loans

Inter-company loans are non-current facilities. Interest may be charged on the outstanding balance. Interest brought to account by the Company in relation to these loans during the year is as follows:

	The Company	
	2002	2001
	\$ '000	\$ '000
Interest revenue	3,710	725

The aggregate amounts receivable from wholly owned controlled entities by the Company are as follows:

Non-current assets (Note 15)	59,225	67,739
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Dividends

Dividends received or due and receivable by the Company from wholly-owned controlled entities:

Recorded as revenue	4,850	3,770
From pre-acquisition reserves	1,664	3,153
	6,514	6,923

Consolidated
2002 2001

The Company
2002 2001

31 Directors' and employees' remuneration

Directors' remuneration

The number of directors of the Company whose income from the Company or any related party falls within the following bands:

Non-executive Directors

\$ 0 - \$ 10,000	1	-	1	-
\$ 10,001 - \$ 20,000	1	-	1	-
\$ 20,001 - \$ 30,000	-	-	-	-
\$ 30,001 - \$ 40,000	2	3	2	3

Executive Directors

\$240,001 - \$250,000	-	1	-	1
\$300,001 - \$310,000	-	1	-	1
\$340,001 - \$350,000	1	-	1	-
\$390,001 - \$400,000	1	-	1	-

Total income paid or payable, or otherwise made available, to all directors of the Company and its controlled entities from the Company or any related party

\$837,022	\$647,421	\$837,022	\$647,421
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Employees' remuneration

The number of Australian based employees of the Company and its controlled entities, whose remuneration from the Company and from entities in the consolidated entity exceeds \$100,000 falls within the following bands:

\$100,001 - \$110,000	1	1	-	-
\$110,001 - \$120,000	3	3	-	-
\$120,001 - \$130,000	2	2	-	-

Directors' declaration

1. In the opinion of the directors of Fleetwood Corporation Limited:
 - (a) the financial statements and notes, set out on pages 6 to 28, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2002 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 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.
2. There are reasonable grounds to believe that the Company and the subsidiaries identified in Note 26 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to ASIC Class Order 98/1418.

Signed in accordance with a resolution of the directors:

G TATE

Director

Perth, 27 September 2002

Independent audit report to the members of Fleetwood Corporation Limited

Scope

We have audited the financial report of Fleetwood Corporation Limited ("the Company") for the financial year ended 30 June 2002, consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes 1 to 31, and the directors' declaration. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the year or from time to time during the financial year. The Company's directors are responsible for the financial report. We have conducted an independent audit of this 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 from 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 whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia 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 audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of Fleetwood Corporation Limited is in accordance with:

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

KPMG

B C FULLARTON

Partner

Perth

27 September 2002

ASX Additional information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Twenty largest shareholders

Name	Number of ordinary shares held	%
Citicorp Nominees Pty Limited	6,099,130	16.44%
Thorney Pty Ltd	4,574,885	12.33%
Karrad Pty Ltd	3,579,792	9.65%
Seattle Investments Pty Ltd	2,200,000	5.93%
Adventure Holdings Pty Ltd	2,072,465	5.59%
ANZ Nominees Group	1,160,930	3.13%
J P Morgan Nominees Australia	1,064,714	2.87%
Kevin O'Brien	1,057,500	2.85%
Tanith O'Brien	1,057,500	2.85%
Agro Investments Limited	937,664	2.53%
Greg Tate	597,086	1.61%
Ronal Nominees Pty Ltd	564,811	1.52%
Thomas Joseph Falvey	499,677	1.35%
The Australian National University	435,000	1.17%
Permanent Trustee Australia Limited	372,795	1.00%
HSBC Custody Nominees (Australia) Limited	315,176	0.85%
Macajaba Investments Pty Ltd	285,000	0.77%
Georgina Walton	285,000	0.77%
National Nominees Limited	256,055	0.69%
Gabrielle O'Brien	250,000	0.67%
	27,665,180	74.58%

Substantial shareholders

The number of shares held by substantial shareholders are set out below:

Name	Number of ordinary shares held
Citicorp Nominees Pty Limited	6,099,130
Thorney Pty Ltd	4,574,885
Karrad Pty Ltd	3,579,792
Seattle Investments Pty Ltd	2,200,000
Adventure Holdings Pty Ltd	2,072,465

Distribution of equity security holders

Category	Number of shareholders
1 - 1,000	287
1,001 - 5,000	636
5,001 - 10,000	187
10,001 - 100,000	159
100,001 and over	36
	1305

The number of shareholders holding less than a marketable parcel is

68

Voting rights of shareholder

On a show of hands, every member in person or by proxy shall have one vote. Upon a poll, voting rights of such members shall be one vote for each share held.

On market buy-back

There is no current on market buy-back.

Other information

Fleetwood Corporation Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.