MaxiTRANS

ANNUAL REPORT
2001/2002

Maxi-CUBE

FREIGHTER

TRAIL TRUCK Parts

TRAILERENTALS

PANEL Masta

Vision

- To be the most successful supplier of equipment solutions and services to the transport industry throughout Australia.

Mission

- MaxiTRANS will be a growing and profitable manufacturer and supplier of high quality, innovative transport equipment, parts, services and solutions that provide our customers with a competitive advantage.

Objectives

- To be a totally customer focussed company and treat our customers as our number one priority.
- To consistently provide high quality products, services and solutions.
- To develop a dynamic professional team of highly committed, skilled and satisfied people and to treat our employees as our number one asset.
- To maximise shareholders' return on investment.
- To be a highly regarded and safety conscious corporate citizen.

Chairman's and Managing Director's Review

Michael Brockhoff (Managing Director), left and Ian Davis (Chairman).

Highlights

- **Operating profit after tax increased by 61% to $2,587,000**
- **Ordinary dividends for the year increased by 50% to 1.5 cents per share**
- **$4.1 million upgrade of the Ballarat facility well advanced**
- **New Victorian Branch facility at Derrimut completed September 2002**
- **Significant expansion of wholesale and retail parts being pursued, including acquisition of Trail Truck Parts retail outlets**
- **Continuing strong demand for vans and trailers**
- **Solid start to 2002/03 across all business segments**

Financial Performance: Improved Earnings and Dividends

MaxiTRANS has had a much improved year. Operating profit after tax rose 61% from $1,609,000 to $2,587,000.

The pre-tax profit of $3,409,000 increased 62% over the previous corresponding period. This included a $620,000 pre-tax profit on the sale of the Coonara heater business.

The improved performance was achieved despite operational difficulties in the first quarter and a subdued van market for much of the year. Key factors were operational improvement, cost reduction, better market conditions in Australia and New Zealand and increased contributions from the Company's Chinese joint venture and our Queensland dealer, Freighter Maxi-CUBE Queensland.

Group sales were 3% lower than in the previous year, mainly due to the sale of the Coonara heater business and the Queensland repair facility.

Cash flow management and working capital improvement remain a key focus of management. The Company generated an operating cash flow of $7.7 million for the year; this was before significant capital expenditure on the Ballarat plant upgrade and the development of our new Derrimut facility.

Reflecting the improved operating results and the board's confidence in the improving operating performance,

market conditions and cash flow position, directors have announced a fully franked final dividend of one cent per ordinary share, to be paid on 18 October 2002.

This brings the total dividends paid for the year to 1.5 cents per share, a 50% increase on the prior year.

Directors have also confirmed the payment of a fully franked dividend of 1.8 cents per converting preference share, to be paid on 30 September 2002.

Market Conditions and Business Development

Trailing equipment sales volumes remained subdued during the December half, with the level of inquiry, order intake and margins for vans in particular all below expectations.

With new and used units available for sale, and well supported by on-site service and parts capability, we are confident that sales of new units, parts and service will achieve the expected growth in the coming year.

Demand for trailers increased significantly in the second half with order intake for vans from the fourth quarter being particularly strong. Capital spending on trailers and vans is discretionary and is inclined to weaken when the economy shows signs of slowing. It is pleasing that we currently see no signs of demand slowing for vans and trailers and expect sales volumes in the first half of 2002–03 to be well above volumes for the previous corresponding period.

Following the acquisition and integration of Trail Truck Parts with our Dandenong retail outlet, and the opening of a new retail outlet at Derrimut, the parts group is aggressively expanding the Company's wholesale and retail presence in the trailer and truck parts market throughout Australia. The parts segment provides a counter-cyclical balance to the trailer/van segment and we see significant opportunities for growth in this market.

Development of the new Derrimut facility will be completed in September 2002. It will accommodate new and used trailing equipment sales, the TraileRentals fleet, a new repair and service centre, retail parts outlet, wholesale parts and the corporate office.

Vans and Trailers

Sales and Marketing

Trailer demand remained strong for most of the year. Demand for vans during and since the fourth quarter has been particularly strong, with several large fleet orders completed. We currently have a very healthy order bank in hand and we see no evidence of demand slowing.

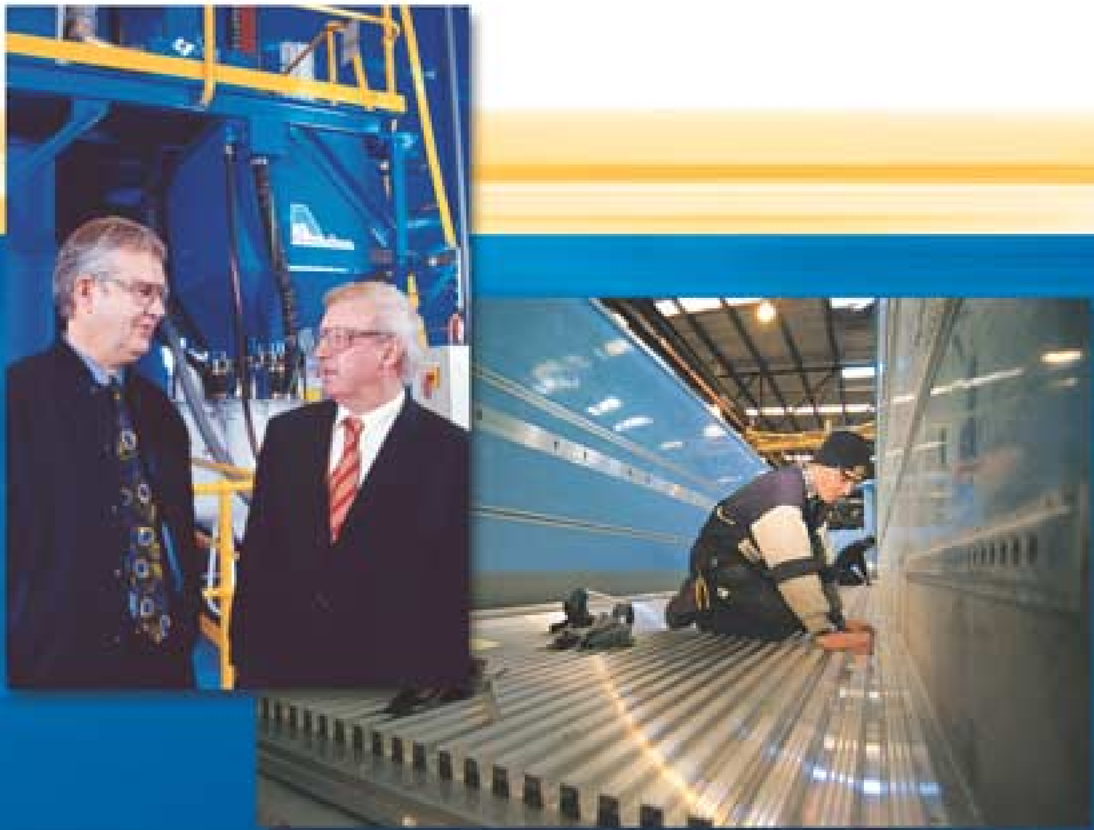
The sales and marketing team is now based at Derrimut. With new and used units available for sale, and well supported by on-site service and parts capability, we are confident that sales of new units, parts and service will achieve the expected growth in the coming year.

Manufacturing

A $4.1 million upgrade of the Ballarat manufacturing and assembly plant began during the June half. Most elements have been completed and the remaining projects are expected to be completed and commissioned by November 2002. The benefits of the upgrade will be realised during the year ending June 2003.

This upgrade is the first major capital investment program at the Ballarat facility in over 20 years. It will significantly improve operational efficiency, quality and occupational health and safety. It will result in shorter production lead times and lower inventory levels. The major projects included in the upgrade are a new paint facility with three paint booths, a grit blaster, automated materials handling systems, robotic cutting equipment and associated manufacturing equipment.

The Hallam panel and foam manufacturing facility continues to improve its process capability and efficiency. New aluminium moulds were commissioned during the year and are producing a first-class product, which has been well received by the market. The significant increase in demand for vans and rigid body kits has also impacted favourably on the Hallam facility. Panel manufacture is currently running at full capacity.



Parts

The Company has developed a strategic plan to significantly expand its wholesale and retail parts presence through organic growth and acquisitions. Following the appointment of a National Parts Manager in February 2002 the following objectives were established and are being aggressively pursued:

- Improved sourcing
- Range expansion
- Geographic expansion of retail outlets using a common integrated software package that is web-enabled to provide customers with on-line procurement
- Improved product availability and customer service.

This segment is counter-cyclical to the core business of trailer and van sales. The new strategic direction will reduce the Company's reliance on the core business and will facilitate growth in sales and earnings.

Transtech Research

The Company's intellectual property and freehold land and buildings are held by Transtech Research, which manages and undertakes research and product development for our Australian business units. Several research and development opportunities in the trailing equipment and parts business units are being pursued with a view to enhancing product development and manufacturing capability and commercialising new products and technologies.

Hallam Repairs

The fibreglass repair facility at Hallam, Victoria enjoyed a very good year despite strong competition. This business has a team of very experienced and professional staff, with specific skills, particularly in the repair of fibreglass vans, and this team continues to deliver at the highest quality standard.

TraileRentals

MaxiTRANS operates a fleet of general and refrigerated trailers for long-term, short-term and seasonal rental. This allows customers to match their equipment needs to the life of their contracts and to meet unexpected or seasonal demands. TraileRentals has significant growth opportunities and will be positioned

for expansion in the coming year. There are opportunities in this market segment to expand our fleet and provide flexible trailing packages and solutions.

Used Equipment Sales

The objective of this business is to purchase and on-sell trade-in units to facilitate sales of new units. The key success factor continues to be acquiring readily saleable trade-ins at prices that facilitate the purchase of new Freighter or Maxi-CUBE products and at the same time allow the trade-in units to be turned over quickly.

New Zealand

The Auckland-based manufacturing and repair facility achieved a further improvement in financial performance during the year, posting its second consecutive full-year profit in only its seventh year of operation.

The improvement is a result of improved operational performance, lower costs, systems enhancement and a market that is exhibiting signs of solid growth.

Freighter Maxi-CUBE Queensland

Our Queensland dealer, Freighter Maxi-CUBE Queensland, in which the Company has a 33.3% interest, increased its pre-tax earnings by 43%.

During the year the Company's Queensland fibreglass repairs operation was sold and integrated into Freighter Maxi-CUBE Queensland, which is located at Rocklea, Brisbane's transport hub.

This provides a one-stop trailing solution for our Queensland customers and strengthens awareness of our brands.

The Company has developed a strategic plan to significantly expand its wholesale and retail parts presence through organic growth and acquisitions.

China Joint Venture

The Company owns 50% of Yangzhou Maxi-Cube Tong Composites Co. Ltd in China. This venture manufactures panel for dry freight and refrigerated trailers and rigid bodies, using MaxiTRANS panel technology, for the rapidly expanding Chinese and export markets.

In its sixth year of operation, the business achieved a 27% increase in sales and a 65% increase in earnings. The venture should continue to achieve high levels of growth in sales and earnings as the Chinese market develops.

Coonara

The sale of the Coonara wood and gas heater business was completed on 31 August, 2001 and the Company booked a pre-tax profit on sale of $620,000.

Outlook

The Company has achieved a solid start to the new financial year across all business segments. With a healthy order intake and strong demand, we are well-positioned to take advantage of the opportunities available in the market.

Looking beyond the current year we are developing and putting in place the necessary strategies, people and relationships to facilitate sustained growth in revenue and earnings.

The Company is pursuing the following key strategies:

- Aggressively expand our wholesale and retail parts businesses through organic growth, geographic expansion and acquisition.
- Through product development, expand the product range to increase sales volume and market share.
- Use capital investment in new equipment to boost productivity and improve manufacturing, quality, efficiency and occupational health and safety.

Looking beyond the current year we are developing and putting in place the necessary strategies, people and relationships to facilitate sustained growth in revenue and earnings.

- Gain entry into new market segments through selected acquisitions and joint ventures.
- Broaden the Company's relationship with the transport sector by selectively introducing and marketing a range of services to the industry.
- Broaden and expand our presence in China through our existing joint venture, acquisitions and sourcing product for the Australian market.

People and Partnerships

One of the Company's key values is to develop a dynamic team of highly committed, skilled and professional employees. The recruitment, development and retention of the right people is an essential cornerstone in the future development and growth of MaxiTRANS.

A healthy and safe work environment is also a fundamental objective.

While a number of initiatives have been taken in this area, continuing awareness and training in occupational health and safety remains a major priority.

The board thanks employees and dealers for their valued contribution to our improved performance during the year.

The Company also acknowledges its vital partnerships and relationships with its customers and suppliers and the key role they play in helping the Company achieve its objectives.

CORPORATE DIRECTORY

Pictured from left to right: Mr James Curtis, Mr Michael Brockhoff, Mr Geoffrey Lord and Mr Ian Davis.

Board of Directors

Mr Ian R. Davis (Chairman)
Mr James R. Curtis (Deputy Chairman)
Mr Michael A. Brockhoff (Managing Director)
Mr Geoffrey F. Lord

Company Secretary

Mr N.F. Gillies

Registered Office

Level 1, 5 Wellington Street
Kew, Victoria 3101
Telephone (03) 8368 1177
Facsimile (03) 8368 1178

Solicitors

Minter Ellison
Level 23, Rialto Towers
525 Collins Street
Melbourne, Victoria 3000

Auditor

KPMG
161 Collins Street
Melbourne, Victoria 3000

Bankers

Commonwealth Bank of Australia
385 Bourke Street
Melbourne, Victoria 3000

Share Registry

ASX Perpetual Registrars Limited
Level 4, 333 Collins Street
Melbourne, Victoria 3000
Telephone (03) 9615 9999
Facsimile (03) 9615 9900

Stock Exchange

The Company is listed on the Australian Stock Exchange.

The home exchange is the Australian Stock Exchange.

The home branch of the Australian Stock Exchange is Melbourne.

Other Information

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

REPORT OF THE DIRECTORS & FINANCIAL STATEMENTS

for the year ended 30 June 2002

Contents

CORPORATE GOVERNANCE STATEMENT

for the year ended 30 June 2002

The Board has the responsibility for ensuring the Company is properly managed so as to protect and enhance shareholders' interests in a manner which is consistent with the Company's responsibility to meet its obligations to all parties with which the Company interacts. To this end the following corporate governance policies and practices have been adopted by resolution of the Board.

(i) The Board

The Company presently has three non-executive directors, including the Chairman, and one executive director. The Board composition conforms with the Board's policy that the Chairman be a non-executive director and that at least half of the directors are to be non-executive directors. Details of each member of the Board are set out in the Report of the Directors.

(ii) Appointment and Retirement of Directors

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case by case basis and in conformity with the requirements of the ASX Listing Rules and the Corporations Act 2001.

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.

(iii) Directors' Access to Independent Professional Advice

For the purposes of the proper performance of their duties, directors are entitled to seek independent professional advice at the Company's expense, unless the Board determines otherwise.

(iv) Board Committees Generally

The Board has created the following committees:

- Audit Committee
- Remuneration Committee
- Corporate Governance Committee

It is the Board's policy that committees of the Board (dealing with corporate governance matters) should:

- be chaired by a non-executive director;
- have sufficient non-executive directors so that the committees are sufficiently independent of management;
- be entitled to obtain independent professional or other advice at reasonable cost to the Company;
- be entitled to obtain such resources and information from the Company, including direct access to employees of and advisors to the Company, as they may require; and
- operate in accordance with terms of reference established by the Board.

(v) Audit Committee

At the date of this report the members of the MaxiTRANS Industries Limited Audit Committee are Messrs I.R. Davis (Chairman), J.R. Curtis and G.F. Lord.

The principal functions of the Audit Committee include reviewing and making recommendations to the Board of Directors regarding:

- its responsibilities in respect of the preparation of the Company's financial statements and the Company's internal controls;
- nominees for external auditor. The existing external auditor, KPMG, were appointed on 22 November 2000;
- the performance and independence of the external auditor. The lead external audit engagement partner is being rotated off no later than 30 June 2007;
- providing a line of communication between the Board and the external auditor; and
- the external auditor's evaluation of internal controls and management's response.

The external auditor met with the Audit Committee twice during the year without management being present. The Audit Committee intends for the 2003 financial reporting period to have the auditor meet at least twice with the Audit Committee without management being present.

(vi) Remuneration Committee

At the date of this report the members of the MaxiTRANS Industries Limited Remuneration Committee are Messrs. I.R. Davis (Chairman), M.A. Brockhoff (Managing Director), J.R. Curtis and G.F. Lord.

The committee's responsibilities are to review and make recommendations to the Board of Directors regarding:

- the remuneration of the Managing Director, other senior executives and the non-executive directors;
- the remuneration policies and practices for the Company including participation in the incentive plan, share scheme and other benefits; and
- superannuation arrangements.

(vii) Corporate Governance Committee

At the date of this report the members of the MaxiTRANS Industries Limited Corporate Governance Committee are Messrs I.R. Davis (Chairman), J.R. Curtis and G. F. Lord.

The committee's responsibilities are to review and make recommendations to the Board of Directors regarding:

- assisting the Board in the annual review of the Corporate Governance Protocol including the Code of Ethics and Continuous Disclosure Protocol; and
- reviewing and recommending to the Board appropriate performance benchmarks.

(viii) Adoption of a Continuous Disclosure Protocol

The Company has adopted a continuous disclosure protocol. The Company Secretary has been appointed the Disclosure Officer and is required to collate and, subject to advising the Board, disclose share price sensitive information.

(ix) Identification and Management of Significant Business Risk

The directors and senior management have identified the significant areas of potential business and legal risk for the Company. The identification, monitoring and, where appropriate, the reduction of significant risk to the Company are highlighted to the directors on an ongoing basis.

The directors review and approve the parameters under which such risks will be managed.

(x) Annual Review

It is the Board's policy that the Board of Directors should at least annually:

- review the performance and membership of the Board, the Company, and management; and
- review the allocation of the work of the Company between the Board and management; and
- review the criteria for success and the assessment of the performance of the Company.

(xi) Equity Participation by Directors

The Board encourages directors to own shares in the Company. Directors (and relevant employees) must comply with the MaxiTRANS Industries Limited Code of Practice when dealing in the Company's securities. The essential provisions of the Code of Practice are set out below:

Directors are not permitted to deal in the Company's securities:

- in circumstances where the director is in possession of unpublished price-sensitive information;
- in closed periods. A closed period is defined as the two month period preceding the announcement of the full-year or half-year results. Only in exceptional circumstances may the Chairman provide clearance for any director to deal in the Company's securities during a closed period.

With suitable clearance from the Chairman, the most appropriate period to deal in the Company's securities is in the four week period following the announcement of the full-year or half-year results.

Directors must seek to prohibit closely associated persons from dealing in the Company's securities in circumstances where the director would not be permitted to do so. It is incumbent on the director to inform closely associated persons of the circumstances in which they are permitted to deal in the Company's securities.

(xii) Ethical Standards

The Company recognises the need for directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity.

The Company intends to maintain a reputation for integrity. The Board has adopted a Code of Ethics which sets out the principles and standards with which all officers and employees are expected to comply in the performance of their respective functions.

A key element of that Code is the requirement that officers and employees act in accordance with the law and with the highest standards of propriety. The Code and its implementation are to be reviewed each year.

(xiii) Availability of Protocols to Shareholders

Copies of the Corporate Governance Protocol, Continuous Disclosure Protocol, the Code of Ethics and Code of Practice relating to equity participation are available to shareholders on request.

REPORT OF THE DIRECTORS

for the year ended 30 June 2002

Your directors submit the financial statements of MaxiTRANS Industries Limited ("the Company") and the consolidated financial report 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 names of directors in office at any time during or since the end of the financial year are:

Mr Ian R. Davis	(Chairman since 1994)
Mr James R. Curtis	(Deputy Chairman since 1994)
Mr Michael A. Brockhoff	(Managing Director since 2000)
Mr Geoffrey F. Lord	(Director since 2000)
Mr Ronald J. Redman	(Director since 1994 – retired 26 October 2001)
Mr Nicholas K. Rogers	(Director since 1994 – retired 26 October 2001)
Mr Michael D. Tilley	(Director since 1994 – retired 26 October 2001)

Principal Activities

The principal continuing activities of the consolidated entity constituted by MaxiTRANS Industries Limited and the entities it controlled during the year consisted of the design, manufacture, sale, rental and repair of transport equipment. The consolidated entity also had a domestic wood and gas heater manufacturing and distribution business which was sold on 31 August 2001.

Other than for the divestment of the heater business, there were no changes in the nature of the consolidated entity's principal activities during the financial year.

Consolidated Results

The operating profit of the consolidated entity for the year ended 30 June 2002 after income tax expense amounted to $2,587,000 (2001: $1,609,000).

Dividends

Dividends paid or declared for payment are as follows:

Ordinary shares

A fully franked final dividend of 1.00 cent per share was paid on 19 October 2001, as proposed and provided for in last year's financial report	$1,279,345
A fully franked interim dividend of 0.50 cent per share was paid on 12 April 2002	$649,651
A fully franked final dividend of 1.00 cent per share will be paid on 18 October 2002	$1,306,449

Preference shares

A fully franked final dividend of 1.80 cents per share was paid on 28 September 2001, as declared in last year's financial report	$270,000
A fully franked interim dividend of 1.80 cents per share was paid on 29 March 2002.	$270,000
A fully franked final dividend of 1.80 cents per share will be paid on 30 September 2002.	$270,000

State of Affairs

Restructure of legal entities

MaxiTRANS Industries Limited has undertaken a restructure of its operating entities to streamline its internal and external reporting requirements and other legal obligations. Two subsidiary companies, ACN 060 246 415 Pty Ltd and ACN 084 230 973 Pty Ltd were voluntarily liquidated on 28 August 2002 and Aranooc Pty Ltd, which was placed in voluntary liquidation during the prior year, remains in liquidation. Aranooc Pty Ltd is no longer operational (refer Note 28 to the financial statements).

Disposal of business

On 31 August 2001 the consolidated entity disposed of Coonara, its domestic wood and gas heater business. Total proceeds received for the business was $1,732,000 and the profit before tax recognised in the year ended 30 June 2002 is $620,000.

Other than for the matters noted above, there were no significant changes in the state of affairs of the parent entity or its subsidiary companies which occurred during the financial year.

Review of Operations

The accompanying Chairman's and Managing Director's Review includes a review of operations of the consolidated entity during the year ended 30 June 2002. In accordance with Australian Securities and Investment Commission Class Order 98/2395, the Board of Directors has adopted the Chairman's and Managing Director's Review as part of the Report of the Directors.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in subsequent financial years.

Environmental Regulation

The consolidated entity's environmental obligations are regulated under Local, State and Federal Law. All environmental performance obligations are internally monitored and subjected to regular government agency audit and site inspections. The consolidated entity has a policy of complying with its environmental performance obligations. No breach of any environmental regulation or law has been notified to the consolidated entity during or since the year ended 30 June 2002.

Future Developments

The accompanying Chairman's and Managing Director's Review includes a review of likely developments. The Board of Directors has adopted the report as part of the Report of the Directors.

Further information as to the likely developments in the operations of the consolidated entity and the expected results of these operations in subsequent financial years has not been included in this report because, the directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the consolidated entity.

Information on Directors

Ian R. Davis	Chairman, Non-Executive, Age 57
Qualifications and experience:	Law degree with honours from University of Melbourne. Appointed Chairman 1994. National Chairman of international law firm, Minter Ellison. Mr Davis has extensive experience in the corporate and commercial area of law in which he practices. Director of Circadian Technologies Limited, Director of International Diabetes Institute and Chairman of Retail Grocery Industry Code Administration Committee.
Special responsibilities:	Chairman of Remuneration Committee, Corporate Governance Committee and Audit Committee.
Interest in shares:	555,750 ordinary shares beneficially held.
Interest in options:	Nil

James R. Curtis	Deputy Chairman, Non-Executive, Age 67
Qualifications and experience:	Appointed Deputy Chairman in 1994. One of the founders of the group. Forty-nine years experience in the transport equipment industry.
Special Responsibilities:	Member of Corporate Governance Committee, Audit Committee and Remuneration Committee.
Interest in shares:	20,897,941 ordinary shares beneficially held.
Interest in options:	Nil

Michael A. Brockhoff	Managing Director, Executive, Age 49
Qualifications and experience:	Appointed Managing Director in June 2000. Twenty four years experience in the road transport industry.
Special responsibilities:	Member of Remuneration Committee.
Interest in shares:	865,000 ordinary shares beneficially held.
Interest in options:	3,000,000 in respect of ordinary shares.

Geoffrey F. Lord	Non-Executive Director, Age 57
Qualifications & experience:	BEco (Honours), MBA (Distinction), Australian Institute of Company Directors. Appointed Director in October 2000. Chairman and Chief Executive Officer of Belgravia Group, Chairman Utility Services Corporation Limited and Terrain Capital Limited, Director of the following companies: Triako Resources Limited, Ausmelt Limited, Auto Group Limited, Institute of Drug Technology Limited, Adelhill Limited and Iatia Limited.
Special responsibilities:	Member of Corporate Governance Committee, Audit Committee and Remuneration Committee.
Interest in shares:	4,275,603 ordinary shares beneficially held.
Interest in options:	Nil

Directors' and Executives' Emoluments

The Company's policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is as follows:

The Remuneration Committee, consisting of three non-executive directors and the Managing Director, advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.

Executive remuneration and other terms of employment are reviewed annually by the committee having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation, retirement and termination entitlements, performance-related incentives and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the consolidated entity's operations.

Remuneration and other terms of employment for the Managing Director and certain other senior executives are formalised in service agreements. Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Non-executive directors are not entitled to any performance related remuneration.

Details of the nature and amount of each element of the emoluments of each director of MaxiTRANS Industries Limited and the five most highly remunerated officers for the year ended 30 June 2002 are as follows:

	Salary	Directors Fees	Super.	Non-Cash Benefits	Bonus	Other	Options Granted	Total
	$	$	$	$	$	$	$	$
Directors								
Mr I.R. Davis	–	50,000	4,000	–	–	–	–	54,000
Mr J.R. Curtis	6,000	30,000	11,400	–	–	–	–	47,400
Mr M.A. Brockhoff	300,000	–	36,850	5,517	–	35,000	–	377,367
Mr G.F. Lord	–	30,000	2,400	–	–	–	–	32,400
Mr R.J. Redman(i)	–	10,000	800	–	–	–	–	10,800
Mr N.K. Rogers(i)	–	10,000	800	–	–	–	–	10,800
Mr M.D. Tilley(i)	–	10,000	800	–	–	–	–	10,800

(i) Messrs Redman, Rogers and Tilley retired as directors on 26 October 2001.

for the year ended 30 June 2002

Directors' and Executives' Emoluments (continued)

	Salary $	Directors Fees $	Super. $	Non-Cash Benefits $	Bonus $	Other $	Options Granted $	Total $
Executive Officers, Company and Consolidated (excluding Directors)								
Mr J. Nolan	166,400	–	18,304	4,809	–	–	–	189,513
Mr A. Wibberley	145,800	–	11,664	4,898	–	–	–	162,362
Mr K. Manfield	121,599	–	9,728	5,028	–	–	–	136,355
Mr N. Gillies	117,000	–	9,360	4,406	–	–	–	130,766
Mr R. Moulday	111,780	–	8,942	3,401	–	–	–	124,123

Executive officers are officers who are involved in, concerned in, or who take part in, the management of the affairs of MaxiTRANS Industries Limited and/or entities under its control.

Meetings of Directors

Details of attendances by directors at board and committee meetings during the year are as follows:

	Directors' Meetings(i)		Audit Committee		Remuneration Committee		Corporate Governance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ian R. Davis	13	13	2	1	2	2	3	3
James R. Curtis	13	11	1	1	1	–	3	2
Ronald J. Redman(ii)	5	4	–	–	–	–	1	1
Nicholas K. Rogers(ii)	5	5	1	1	1	1	1	1
Michael D. Tilley(ii)	5	3	1	1	–	–	1	1
Michael A. Brockhoff	13	13	–	–	2	2	–	–
Geoffrey F. Lord	13	13	1	1	1	1	3	2

(i) Directors' meetings include one circular resolution.

(ii) Messrs Redman, Rogers and Tilley retired as directors on 26 October 2001.

Audit Committee

As at the date of this report, the Company had an Audit Committee of the Board of Directors that met two times during the year. The details of the functions and memberships of the audit and other committees of the Board are presented in the Corporate Governance Statement.

for the year ended 30 June 2002

Indemnity

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

(i) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

(ii) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings with the exception of the following matters:

The Company has entered into a contract of insurance in relation to the indemnity of the Company's directors and officers for a premium of $29,093. The insurance premium relates to claims for damages, judgements, settlements or costs in respect of wrongful acts committed by directors or officers in their capacity as directors or officers but excluding wilful, dishonest, fraudulent, criminal or malicious acts or omissions by any director or officer. The directors indemnified are those existing at the date of this report. The officers indemnified include each full time executive officer and secretary.

Share Options

Share Options Granted to Directors and Highly Remunerated Officers

No options were granted by the Company over unissued ordinary shares during or since the year ended 30 June 2002 to directors or any of the five most highly remunerated officers as part of their remuneration.

Shares Under Option

As at the date of this report there are 3,600,000 unissued ordinary shares for which options are outstanding under the Directors and Employees Options Plan. No option holder has any right in respect of these options to participate in any other share issue made by the consolidated entity. A total of 242,000 ordinary share options previously granted under the Directors and Employees Options Plan expired on 1 October 2001.

Shares Issued on the Exercise of Options

No ordinary shares of MaxiTRANS Industries Limited were issued during or since the year ended 30 June 2002 pursuant to the exercise of options granted under the Directors and Employees Options Plan.

Further details on share options are detailed in Note 26 to the financial statements.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Rounding of Accounts

The parent entity has applied the relief available to it in ASIC Class Order 98/100 and, accordingly, amounts in the financial statements and Report of the Directors have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the Board of Directors.

....	....
Mr Ian R. Davis, Director	Mr Michael A. Brockhoff, Director

Dated this 6th day of September 2002

DIRECTORS' DECLARATION

for the year ended 30 June 2002

The Directors of MaxiTRANS Industries Limited declare that:

(1) the financial statements and notes, as set out on pages 21 to 60 are in accordance with the Corporations Act 2001, including:

  (a) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

  (b) giving a true and fair view of the financial position as at 30 June 2002 and performance for the year ended on that date, as represented by the results of the operations and the cash flows of the Company and consolidated entity.

(2) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(3) there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 28 to the financial statements 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Ian Russell Davis, Director	Michael Alan Brockhoff, Director

Dated this 6th day of September 2002

STATEMENTS OF FINANCIAL PERFORMANCE

for the year ended 30 June 2002

	Note	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Revenue from the sale of goods	3	**80,233**	83,270	**–**	–
Revenue from the rendering of services	3	**6,311**	6,037	**2,273**	1,960
Other revenues from ordinary activities	3	**3,211**	3,978	**3,905**	988
Total revenue		**89,755**	93,285	**6,178**	2,948
Changes in inventories of finished goods and work in progress		**1,962**	(1,583)	**–**	–
Raw materials and consumables used		**(54,784)**	(51,698)	**–**	–
Employee expenses		**(22,445)**	(23,812)	**(1,095)**	(946)
Depreciation and amortisation expenses	4	**(3,467)**	(3,498)	**(71)**	(95)
Borrowing costs	4	**(711)**	(1,222)	**(3)**	(3)
Other expenses from ordinary activities		**(7,445)**	(9,628)	**(560)**	(694)
Share of net profits of associates and joint ventures accounted for using the equity method	29	**544**	256	**–**	–
Profit from ordinary activities before related income tax expense		**3,409**	2,100	**4,449**	1,210
Income tax (expense)/benefit relating to ordinary activities	7	**(822)**	(491)	**(185)**	(92)
Net profit attributable to members of the parent entity	21	**2,587**	1,609	**4,264**	1,118
Non-owner transaction changes in equity					
Net exchange difference on translation of financial statements of self-sustaining foreign operations	20	**(174)**	271	**–**	–
Total changes in equity from non-owner related transactions attributable to members of the parent entity		**2,413**	1,880	**4,264**	1,118
Basic earnings per share (cents per share)	6	**1.58¢**	0.84¢		
Diluted earnings per share (cents per share)	6	**1.37¢**	0.86¢		

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 24 to 60.

STATEMENTS OF FINANCIAL POSITION

for the year ended 30 June 2002

	Note	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Current Assets					
Cash assets		586	1,551	–	1,059
Receivables	8	8,128	10,613	30,313	24,932
Inventories	9	11,559	13,168	–	–
Other	11	83	171	1	1
Total Current Assets		20,356	25,503	30,314	25,992
Non-Current Assets					
Investments accounted for using the equity method	12(a)	2,753	2,547	–	–
Other financial assets	12(b)	6	20	11,481	13,495
Property plant and equipment	13	20,582	15,620	58	162
Intangible assets	14	28,263	29,823	11	11
Deferred tax assets	10	862	1,448	3	4
Other	11	240	379	–	–
Total Non-Current Assets		52,706	49,837	11,553	13,672
Total Assets		73,062	75,340	41,867	39,664
Current Liabilities					
Accounts payable	15	12,470	13,355	50	75
Interest bearing liabilities	16	146	2,126	74	33
Provisions	18	1,855	3,113	135	1,414
Total Current Liabilities		14,471	18,594	259	1,522
Non-Current Liabilities					
Interest bearing liabilities	16	10,339	10,584	–	–
Deferred tax liabilities	17	1,533	1,180	4	6
Provisions	18	807	687	–	–
Total Non-Current Liabilities		12,679	12,451	4	6
Total Liabilities		27,150	31,045	263	1,528
Net Assets		45,912	44,295	41,604	38,136
Equity					
Contributed equity	19	37,359	36,965	37,359	36,965
Reserves	20	7,840	8,014	425	425
Retained profits/(Accumulated losses)	21	713	(684)	3,820	746
Total Equity		45,912	44,295	41,604	38,136

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 24 to 60.

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2002

	Note	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Cash Flows from Operating Activities					
Receipts from customers		101,007	99,698	2,265	1,046
Payments to suppliers and employees		(92,674)	(89,212)	(1,814)	(797)
Dividends received		–	–	3,876	940
Interest received		41	50	8	7
Interest and other costs of finance paid		(711)	(1,222)	(3)	–
Income tax paid		–	–	–	–
Net Cash Provided by/(Used in) Operating Activities	30(a)	7,663	9,314	4,332	1,196
Cash Flows from Investing Activities					
Payments for property plant and equipment		(7,404)	(2,068)	(28)	(25)
Loans repaid by other entities		163	182	–	–
Payments for other non-current assets		–	(34)	–	–
Proceeds from sale of property plant and equipment		3,170	3,144	21	–
Net Cash Provided By/(Used in) Investing Activities		(4,071)	1,224	(7)	(25)
Cash Flows from Financing Activities					
Proceeds from borrowings		–	–	–	–
Loans (to)/from controlled entities		–	–	–	1,431
Repayment of borrowings		(2,483)	(7,100)	(3,360)	(9)
Dividends paid		(2,074)	(540)	(2,074)	(540)
Net Cash Provided by/(Used in) Financing Activities		(4,557)	(7,640)	(5,434)	882
Net increase/(decrease) in cash		(965)	2,898	(1,109)	2,103
Cash at beginning of year		1,551	(1,347)	1,059	(1,044)
Cash at End of Year	30(b)	586	1,551	(50)	1,059

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 24 to 60.

1. Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy as set out in Note 2, are consistent with those of the previous year.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report.

(a) Principles of consolidation

The consolidated financial report comprises the financial statements of MaxiTRANS Industries Limited and all of its controlled entities. A controlled entity is any entity controlled by MaxiTRANS Industries Limited or any of its subsidiaries. Control exists where MaxiTRANS Industries Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with MaxiTRANS Industries Limited to achieve the objectives of MaxiTRANS Industries Limited. A list of controlled entities is contained in Note 28 to the financial statements.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

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.

Associates are those entities, other than partnerships, over which the consolidated entity exercises significant influence and which are not intended for sale in the near future. Investments in associate companies are recognised in the Company's financial statements at the lower of cost or recoverable amount (refer Note 1(j)).

(b) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on a weighted average basis and include direct materials, direct labour and an appropriate proportion of variable and fixed factory overheads.

(c) Non-current assets

Acquisitions of assets

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

1. Statement of Significant Accounting Policies (continued)

(c) Non-current assets (continued)

Acquisitions of assets (continued)

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 to the asset. Borrowing costs are capitalised to qualifying assets as set out in Note 1(s).

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 as a result of the costs incurred, 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.

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.

Current valuations for land and buildings valued on the cost basis are carried out at least once every three years.

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.

Depreciation and amortisation

(i) Complex assets

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

(ii) Useful lives

All assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight line method or diminishing value method where appropriate, over their estimated useful lives, with the exception of finance lease assets which 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.

1. Statement of Significant Accounting Policies (continued)

(c) Non-current assets (continued)

(iii) Rates of depreciation and amortisation

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively 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.

	2002	2001
Property plant and equipment		
Buildings	**2.5–4.0%**	2.5–4.0%
Leasehold improvements	**20.0%**	20.0%
Plant and equipment	**10.0–33.3%**	10.0–33.3%
Leased plant and equipment	**14.0–22.5%**	14.0–22.5%
Intangibles		
Goodwill	**5.0%**	5.0%
Brand names	**1.0%**	1.0%
Intellectual property	**2.0–10.0%**	2.0–10.0%
Patents and trademarks	**20.0–33.3%**	20.0–33.3%
Other non-current assets		
Research and development costs	**20.0–33.3%**	20.0–33.3%

(d) 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 as either 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 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 benefit.

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.

1. Statement of Significant Accounting Policies (continued)

(e) Employee entitlements

Provision is made for the consolidated entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. The long service leave 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.

Contributions are made by the consolidated entity to employee superannuation funds and are charged as expenses when incurred.

Employee share and option plans

MaxiTRANS Industries Limited grants options from time to time to certain employees under the Directors and Employees Option Plan. Further information is set out in Note 26 to the financial statements. Other than the costs incurred in administering the scheme which are expensed as incurred, the scheme has not resulted in any expense to the consolidated entity in the current period. Shares or options issued are recorded in contributed equity at the fair value of consideration received, if any.

(f) Intangibles

(i) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight-line basis over 20 years. The balances are reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

(ii) Patents, trademarks and brand names

Patents, trademarks and brand names are valued in the financial statements at cost of acquisition and are amortised over the period in which their benefits are expected to be realised.

(iii) Intellectual property

Intellectual property is brought to account at cost and is amortised over the period in which their benefits are expected to be realised.

(g) Research and development expenditure

Research and development costs are charged to operating profit before income tax expense as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs.

Deferred research and development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial production has commenced.

1. Statement of Significant Accounting Policies (continued)

(h) Provision for warranties

Provision is made in respect of the consolidated entity's estimated liability on all products and services under warranty at balance date. This provision is based on the consolidated entity's history of warranty claims and expected future warranty costs.

(i) Cash

For the purpose of the statements of cash flows, cash includes:
– cash on hand and at call with banks or financial institutions, net of bank overdrafts; and
– investments in money market instruments with less than 14 days to maturity.

(j) Investments

Non-current investments are brought to account at cost and are carried at the lower of cost and recoverable amount.

Investments in associate companies are recognised in the Company's financial statements at the lower of cost and recoverable amount. In the consolidated financial statements investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date significant influence commences until the date significant influence ceases. Other movements in reserves are recognised directly in consolidated reserves.

(k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the 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. Contingent rentals are expensed as incurred.

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) Foreign currency

Transactions and balances

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

1. Statement of Significant Accounting Policies (continued)

(l) Foreign currency (continued)

Translation of controlled foreign entities

The financial statements of overseas controlled entities that are integrated foreign operations are translated using the temporal method. Monetary assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while non-monetary items and revenue and expense items are translated at exchange rates current when the transactions occurred. Exchange differences arising on translation are brought to account in the statement of financial performance.

The assets and liabilities of foreign operations accounted for as associates 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 on translation are taken directly to the foreign currency translation reserve (refer Note 20).

(m) Earnings per share

Basic earnings per share is calculated by dividing the operating profit after income tax and preference share dividends attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Following the application of the revised AASB 1027 Earnings Per Share, for the first time for the financial year ended 30 June 2002, the method of calculating diluted earnings per share has been revised, refer Note 2.

(n) Revenue

Revenue from the sale of goods

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

Revenue from the rendering of services

Revenue from the rendering of services is recognised upon completion of the contract to provide the service.

Revenue from the 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.

Interest and dividend revenue

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.

1. Statement of Significant Accounting Policies (continued)

(o) Rounding of amounts

The Company has applied relief available under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and Report of the Directors have been rounded off to the nearest $1,000.

(p) Comparative figures

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

(q) Class order

The Company, together with its subsidiaries, MaxiTRANS Australia Pty Ltd, Transtech Research Pty Ltd and MaxiTRANS Industries (NZ) Pty Ltd, each of which is incorporated in Australia, entered into a Deed of Cross Guarantee so as to seek the benefit of the accounting and audit relief available under Class Order (98/1418) made by the Australian Securities & Investments Commission which was granted on 1 June 2001.

A consolidated statement of financial performance and consolidated statement of financial position comprising the Company and subsidiaries which are a party to the deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, have not been prepared at 30 June 2002 or for the preceding financial period as they would not be materially different to the consolidated statements on pages 21 and 22.

(r) 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 Australian Tax Office (ATO). In these circumstances the 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 ATO is included as a current asset or liability in the statements of financial position.

Cash flows are included in the statements 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 ATO are classified as operating cash flows.

1. Statement of Significant Accounting Policies (continued)

(s) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, including trade creditors and lease finance charges.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

(t) Revisions of accounting estimates

Revisions to accounting estimates are recognised prospectively in current and future periods only.

(u) Converting financial instruments

Converting financial instruments (other than those instruments issued prior to 28 October 1999), such as converting preference shares, which must convert to ordinary shares are classified as financial liabilities on initial recognition to the extent that holders are not exposed to changes in fair value of the Company's ordinary shares.

Where the conversion rate is based on fair market value of the Company's ordinary shares at the date of conversion (the weighted average ordinary share price over the 20 ASX trading days immediately prior to conversion) the proceeds received are classified as liabilities and related distributions as interest expense, except where the instrument was issued prior to 28 October 1999. Instruments issued prior to 28 October 1999 are classified as equity but will be reclassified as a liability on 1 July 2002.

The Company has 15,000,000 converting preference shares issued on 1 March 1998 which are classified as equity but which will be partly reclassified as a liability from 1 July 2002 (Note 19(b)).

(v) Restoration provisions

Restoration provisions are made for estimated costs, if any, relating to the remediation of soil, groundwater and untreated waste as soon as the need is identified. Significant uncertainty exists as to the amount of restoration obligations which will be incurred due to the following factors:

- uncertainty as to the remaining life of existing operating sites
- the impact of changes in environmental legislation.

2. Changes in Accounting Policy

(a) Earnings per share

The consolidated entity has applied the revised AASB 1027 Earnings Per Share for the first time for the financial year ended 30 June 2002.

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

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 weighted average number of 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 identification of dilutive potential ordinary shares is now based on net profit or loss from continuing ordinary operations, not net profit or loss before extraordinary items and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

(b) Segment reporting

The consolidated entity has applied the revised AASB 1005 Segment Reporting for the first time for the financial year ended 30 June 2002.

Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks and returns. The new segments reported are, sales of new trailer units; and parts and service.

The latter segment comprises the consolidated entity's wholesale and retail parts operations, and its trailer servicing operations.

(c) Provisions, contingent liabilities and contingent assets

The consolidated entity has applied Australian Accounting Standard AASB 1044 for the first time for the financial year ended 30 June 2002. As a result a provision for ordinary dividends payable has not been recognised at 30 June 2002. If the dividend had been provided for as at 30 June 2002, retained profits disclosed (Note 21) would have been an accumulated loss of $593,000 (the Company: $2,514,000 retained profit) and total current provisions disclosed (Note 18) would have been $3,161,000 (the Company: $1,441,000). Had the new accounting policy always been applied, retained profits at the beginning of the reporting period would have increased by $1,279,000 and current provisions would have decreased by $1,279,000 (for both the consolidated entity and the Company).

3. Revenue from Ordinary Activities

	Consolidated		The Company	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
Sale of goods	80,233	83,270	–	–
Rendering of services	6,311	6,037	2,273	1,960
	86,544	89,307	2,273	1,960
Other revenues from operating activities				
– dividends received from wholly-owned controlled entities	–	–	3,876	940
– interest revenue from other parties	41	50	8	6
– other	185	814	–	42
Other revenues from outside operating activities				
– proceeds on disposal of property plant and equipment	1,253	3,114	21	–
– proceeds on sale of Coonara heater business	1,732	–	–	–
Total other revenues	3,211	3,978	3,905	988
Total revenue from ordinary activities	89,755	93,285	6,178	2,948

4. Profit from Ordinary Activities

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Profit from ordinary activities before related income tax expense has been determined after:				
(i) **Cost of goods sold**	67,608	68,829	–	–
(ii) **Charging as expenses:**				
Borrowing costs:				
– interest – other persons	683	1,187	–	–
– finance lease charges	28	35	3	3
Total borrowing costs	711	1,222	3	3
Depreciation:				
– property	235	249	–	–
– plant and equipment	1,452	1,383	62	86
Total depreciation	1,687	1,632	62	86
Amortisation of non-current assets:				
– research and development expenditure	134	188	–	–
– goodwill	374	374	–	–
– intellectual property	1,109	1,100	–	–
– brand names	69	69	–	–
– patents and trademarks	7	12	–	–
– capitalised leased assets	87	123	9	9
Total amortisation	1,780	1,866	9	9
Net expense from movements in provision for:				
– employee entitlements	131	241	–	–
– warranty	87	(299)	–	–
– other	–	6	–	–
Net expense resulting from movements in provisions	218	(52)	–	–
Bad debts written off:				
– Trade debtors	–	18	–	–
Transfer to provision for doubtful debts:				
– Trade debtors	12	(97)	–	–
Total bad and doubtful debts expense	12	(79)	–	–
Rental expense on operating leases	1,538	2,658	–	–
(iii) **Crediting as income:**				
Net gain/(loss) on disposal of property plant and equipment	936	208	(22)	(1)

5. Individually Significant Items of Revenue and Expense

	Consolidated		The Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Reduction in warranty provision[i]	–	299	–	–
Income tax expense applicable	–	(102)	–	–
Reduction in warranty provision after tax	–	197	–	–
Revenue from sale of Coonara heater business	1,732	–	–	–
Costs and net book value of assets associated with the Coonara heater business	(1,112)	–	–	–
Profit on sale of Coonara business before tax	620	–	–	–
Income tax expense applicable	(186)	–	–	–
Profit on sale of Coonara heater business after tax	434	–	–	–

(i) The reduction in the warranty provision in the year ended 30 June 2001 reflected a review of estimated future warranty claims.

6. Earnings per Share

Classification of securities as potential shares

The following securities have been classified as potential ordinary shares and included in diluted earnings per share only:

(i) converting preference shares; and

(ii) options outstanding under the Directors and Employees Option Plan.

Further details of these securities are contained in notes 19 and 26.

	Consolidated 2002 $'000	Consolidated 2001 $'000
Earnings reconciliation		
Net profit	**2,587**	1,609
Preference share dividends provided or paid during the year	**(540)**	(540)
Basic earnings	**2,047**	1,069
Preference share dividends provided or paid during the year	**540**	540
Diluted earnings	**2,587**	1,609

	Consolidated 2002 Number	Consolidated 2001 Number
Weighted average number of shares		
Number for basic earnings per share		
Ordinary shares	**129,473,910**	127,934,535
Effect of executive share options on issue	**–**	210,066
Effect of converting preference shares	**60,000,000**	60,000,000
Number for diluted earnings per share	**189,473,910**	188,144,601

At 30 June 2001 only the 3,000,000 executive share options granted to Mr Michael Brockhoff were dilutive and therefore included in the calculation of diluted EPS at that date.

At 30 June 2002 no executive share options were dilutive and therefore none were included in the calculation of diluted EPS at that date.

Full details of options are set out in Note 26.

7. Income Tax

	Consolidated		The Company	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
The prima facie tax payable on operating profit differs from the income tax expense in the financial statements and is reconciled as follows:				
Prima facie tax payable on operating profit at 30% (2001: 34%)	1,023	714	1,335	411
Add/(deduct) tax effect of:				
Non deductible depreciation and amortisation	245	246	–	–
Effect of tax rate changes	–	45	–	–
Research and development	(149)	(185)	–	–
Unrecognised tax losses recouped on foreign income	(85)	(73)	–	–
Sundry items	(80)	(81)	8	–
Prior year adjustments	(132)	(175)	5	–
Rebatable fully franked dividends	–	–	(1,163)	(319)
	(201)	(223)	(1,150)	(319)
Income tax expense	822	491	185	92
Income tax expense attributable to operating profit is made up of:				
– current income tax provision	–	–	182	–
– deferred income tax provision	353	509	(2)	(6)
– future income tax benefit	601	157	(1)	98
– prior year adjustment	(132)	(175)	6	–
Income tax expense	822	491	185	92

8. Receivables

	Consolidated		The Company	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
Trade debtors	8,093	8,316	–	–
Provision for doubtful debts	(14)	(26)	–	–
	8,079	8,290	–	–
Other debtors	49	2,323	–	3
Amounts receivable from:				
– controlled entities	–	–	30,313	24,929
Total receivables	8,128	10,613	30,313	24,932

9. Inventories

	Consolidated		The Company	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
Second-hand units – at cost	1,376	3,485	–	–
Finished goods – at cost	2,020	1,480	–	–
Work in progress – at cost	2,772	1,349	–	–
Raw materials – at cost	5,555	7,016	–	–
Less: provision for obsolescence	(164)	(162)	–	–
Total inventories	11,559	13,168	–	–

10. Deferred Tax Assets

	Consolidated		The Company	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
Future income tax benefits	862	1,448	3	4
The future income tax benefit is made up of the following estimated tax benefits:				
– timing differences	845	631	3	4
– tax losses	17	817	–	–
	862	1,448	3	4
Future income tax benefits not brought to account				
The potential future income tax benefit in a controlled entity, which is a company, arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not virtually certain and recovery of timing differences is not assured beyond any reasonable doubt:				
– timing differences	12	6	–	–
– tax losses	163	225	–	–
	175	231	–	–

The potential income tax benefit will only be obtained if:

(i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;

(ii) the relevant company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in legislation adversely affect the relevant company in realising the benefit.

11. Other Assets

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Current				
Employee expense advances	8	35	1	–
Prepayments	75	136	–	1
	83	171	1	1
Non-current				
Research and development – at cost	–	441	–	–
Accumulated amortisation	–	(307)	–	–
	–	134	–	–
Loans to associate entities	240	245	–	–
	240	379	–	–

During the year ended 30 June 2002 all research and development costs brought forward at 1 July 2001 were fully amortised. No research and development costs incurred in the current year have been deferred to future years.

12. Investments and Other Financial Assets

	Note	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
(a) Investments accounted for using the equity method					
– associated entities	29	2,753	2,547	–	–
(b) Other financial assets					
– controlled entities	28	–	–	9,979	11,979
– associated entities	29	–	–	1,496	1,496
– other investments		6	20	6	20
Total other financial assets		6	20	11,481	13,495

13. Property Plant and Equipment

	Consolidated		The Company	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
Land and Buildings				
Land at cost	1,414	1,568	–	–
Buildings at cost	9,099	9,314	–	–
Accumulated depreciation	(672)	(463)	–	–
Total buildings	8,427	8,851	–	–
Capital works in progress	3,972	290	–	–
Total land and buildings	13,813	10,709	–	–
Plant and Equipment				
Plant and equipment at cost	9,883	9,856	–	–
Accumulated depreciation	(6,349)	(6,323)	–	–
	3,534	3,533	–	–
Office equipment at cost	3,472	3,527	91	319
Accumulated depreciation	(2,652)	(2,418)	(58)	(191)
	820	1,109	33	128
Leased plant and equipment	626	434	45	45
Accumulated amortisation	(154)	(165)	(20)	(11)
	472	269	25	34
Capital work in progress	1,943	–	–	–
Total plant and equipment	6,769	4,911	58	162
Total property plant and equipment	20,582	15,620	58	162

Refer to Note 31 for details of security over land and buildings.

13. Property Plant and Equipment (continued)

	Consolidated		The Company	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
Reconciliations				
Reconciliations of the carrying amounts for each class of property plant and equipment are set out below:				
Freehold land				
Carrying amount at the beginning of year	1,568	2,162	–	–
Disposals	(154)	(594)	–	–
Carrying amount at the end of year	1,414	1,568	–	–
Buildings				
Carrying amount at the beginning of year	8,851	9,865	–	–
Additions	9	41	–	–
Transfers from capital works in progress	–	28	–	–
Disposals	(198)	(834)	–	–
Depreciation	(235)	(249)	–	–
Carrying amount at the end of year	8,427	8,851	–	–
Plant and equipment				
Carrying amount at the beginning of year	3,533	4,011	–	–
Additions	1,120	1,441	–	–
Transfers from/(to) inventory (i)	322	(76)	–	–
Disposals	(529)	(944)	–	–
Depreciation	(912)	(899)	–	–
Carrying amount at the end of year	3,534	3,533	–	–
Office equipment				
Carrying amount at the beginning of year	1,109	1,285	128	204
Additions	298	314	28	25
Transfers	–	–	(32)	–
Disposals	(47)	(6)	(29)	(15)
Depreciation	(540)	(484)	(62)	(86)
Carrying amount at the end of year	820	1,109	33	128
Leased plant and equipment				
Carrying amount at the beginning of year	269	966	34	43
Additions	352	132	–	–
Disposals	(62)	(706)	–	–
Amortisation	(87)	(123)	(9)	(9)
Carrying amount at the end of year	472	269	25	34
Capital works in progress				
Carrying amount at the beginning of year	290	28	–	–
Additions	5,625	290	–	–
Transfers to property plant and equipment	–	(28)	–	–
Carrying amount at the end of year	5,915	290	–	–

(i) Second hand trailers that had been held for resale which were contracted to long term rental within the TraileRental business were reclassified as plant and equipment during the year. In the previous year, second hand trailers held for resale previously classified as plant and equipment were reclassified as inventory.

14. Intangibles

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Goodwill at cost	7,475	7,475	–	–
Accumulated amortisation	(3,112)	(2,738)	–	–
	4,363	4,737	–	–
Brand names at cost (i)	6,930	6,930	–	–
Accumulated amortisation	(138)	(69)	–	–
	6,792	6,861	–	–
Intellectual property: (i)				
– at cost	21,438	21,438	–	–
Accumulated amortisation	(4,351)	(3,242)	–	–
	17,087	18,196	–	–
Patents and trademarks at cost	53	55	11	11
Accumulated amortisation	(32)	(26)	–	–
	21	29	11	11
Total intangibles	28,263	29,823	11	11

(i) In accordance with a change in accounting policy brand names and intellectual property not previously amortised were amortised with effect from 1 July 2000. The useful life of these assets was reviewed and assessed as 100 years for the brand names and 50 years for the intellectual property.

15. Accounts Payable

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Trade creditors	10,870	11,111	41	40
Other creditors and accruals	1,600	2,244	9	35
Total accounts payable	12,470	13,355	50	75

16. Interest Bearing Liabilities

	Note	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Current					
Bank overdraft	31	–	–	50	–
Bank loans – secured	31	–	2,000	–	–
Lease liability	32	146	126	24	33
Total current interest bearing liabilities		146	2,126	74	33
Non-current					
Bank loans – secured	31	10,000	10,400	–	–
Lease liability	32	339	184	–	–
Total non-current interest bearing liabilities		10,339	10,584	–	–

17. Deferred Tax Liabilities

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Non-current				
Deferred income tax	1,533	1,180	4	6

18. Provisions

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Current				
Employee entitlements	1,411	1,477	–	–
Warranty	309	222	–	–
Dividend	135	1,414	135	1,414
Total current provisions	1,855	3,113	135	1,414
Non-current				
Employee entitlements	807	687	–	–
Aggregate employee entitlements liability	2,218	2,164	–	–

	Consolidated 2002 $'000	The Company 2002 $'000
Reconciliations		
Reconciliations of the carrying amounts of each class of provision, except for employee benefits, are set out below:		
Warranty		
Carrying amount at beginning of year	222	–
Provisions made during the year	87	–
Carrying amount at end of year	309	–
Dividend		
Carrying amount at beginning of year	1,414	1,414
Adjustment on adoption of AASB1044 Provisions, contingent liabilities and contingent assets (refer Note 2)	(1,279)	(1,279)
Provisions made during the year:		
– Final ordinary dividend 2001	1,279	1,279
– Interim preference dividend 2002 (i)	135	135
– Interim ordinary dividend 2002	650	650
– Final preference dividend 2002 (i)	135	135
Payments made during the period	(2,199)	(2,199)
Carrying amount at end of year	135	135

(i) Preference share dividends are provided for on a straight line basis over the period the benefits accrue to the holders of preference shares.

	Consolidated 2002	Consolidated 2001	The Company 2002	The Company 2001
Number of employees				
Number of employees at year end	431	474	9	3

19. Contributed Equity

	Note	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
130,644,937 (2001:127,934,535) Fully paid ordinary shares	(a)	**31,359**	30,965	**31,359**	30,965
15,000,000 (2001: 15,000,000) Fully paid converting preference shares	(b)	**6,000**	6,000	**6,000**	6,000
Total		**37,359**	36,965	**37,359**	36,965
(a) Ordinary shares – paid up capital					
At the beginning of the financial year 127,934,535 (2001: 127,934,535)		**30,965**	30,965	**30,965**	30,965
Shares issued during the year					
– 1,995,316 on 19 October 2001		**292**	–	**292**	–
– 715,086 on 12 April 2002		**102**	–	**102**	–
At end of financial year		**31,359**	30,965	**31,359**	30,965

The additions to contributed equity were made in accordance with the Company's dividend re-investment plan applicable to dividends paid on ordinary shares.

Subject to the Constitution of the Company, holders of ordinary shares are entitled to vote as follows:

- every shareholder may vote;
- on a show of hands every shareholder has one vote;
- on a poll every shareholder has:
  (i) one vote for each fully paid share; and
  (ii) for each partly paid share held by the shareholder, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on the share.

Subject to the Constitution of the Company, ordinary shares attract the right in a winding up to participate equally in the distribution of the assets of the Company (both capital and surplus), subject only to any amounts unpaid on shares.

(b) The Company's non-cumulative converting preference shares are not redeemable, but convert into ordinary shares on 31 March 2003, or such earlier date as governed by the terms of issue. The rate of conversion of the converting preference shares into ordinary shares will be based on the market value of the ordinary shares at the time of conversion.

Subject to the terms of issue, the holders of the non-cumulative converting preference shares receive an annual fully franked dividend of 9% on the issue value of their shares (3.6 cents p.a.), payable six monthly in arrears up to the conversion date. Such dividends are only payable if there are sufficient profits, prior to any ordinary dividends being declared, to permit the distribution.

Holders are entitled to receive notice of and attend any general meeting of the Company. They are also entitled to receive the annual report and notices sent to ordinary shareholders.

Holders will only be entitled to vote in limited circumstances, including arrears of dividend, a reduction in capital, and the issue of more than 10% of the Company's capital.

Until the conversion date, the converting preference shares will rank ahead of ordinary shares for the payment of dividends and for returns of capital (not exceeding the issue price) on a winding up of the Company but shall not participate in any surplus.

19. Contributed Equity (continued)

In accordance with revised Australian Accounting Standard AASB 1033 Presentation and Disclosure of Financial Instruments, the converting preference shares will be reclassified as a compound financial instrument from 1 July 2002, as follows:

	$'000
– aggregate amount of financial liability	5,530
– aggregate amount of equity	470
	6,000

20. Reserves

	Consolidated		The Company	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
Capital redemption	425	425	425	425
Foreign currency translation	415	589	–	–
Asset revaluation	7,000	7,000	–	–
Total reserves	7,840	8,014	425	425
Foreign currency translation reserve – movements during the year:				
Balance at beginning of year	589	318	–	–
Net exchange difference on translation of foreign associate	(174)	271	–	–
Balance at end of year	415	589	–	–

Nature and purpose of reserves

Capital redemption reserve

The capital redemption reserve includes amounts transferred from profits to be available for the redemption of preference shares.

Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of self-sustaining foreign operations, the equity accounting of foreign associates, the translation of transactions that hedge the Company's net investment in a foreign operation or the translation of foreign currency monetary items forming part of the net investment in a self-sustaining operation.

Asset revaluation reserve

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with AASB 1041.

21. Retained Earnings

	Note	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Retained profits at beginning of year		**(684)**	(474)	**746**	1,447
Net profit attributable to members of the parent entity		**2,587**	1,609	**4,264**	1,118
Dividends	22	**(1,190)**	(1,819)	**(1,190)**	(1,819)
Retained profits at end of year		**713**	(684)	**3,820**	746

22. Dividends

	Cents per share	Total amount $'000	Date of payment	Tax rate for franking credit	Percent franked
Dividends proposed or paid are:					
2002					
Final – ordinary	1.0	1,306	18 October 2002	30% (Class C)	100%
Interim – ordinary	0.5	650	12 April 2002	30% (Class C)	100%
Final – preference	1.8	270	30 September 2002	30% (Class C)	100%
Interim – preference	1.8	270	29 March 2002	30% (Class C)	100%
Total franked amount		2,496			
2001					
Final – ordinary	1.0	1,279	19 October 2001	30% (Class C)	100%
Final – preference	1.8	270	28 September 2001	30% (Class C)	100%
Interim – preference	1.8	270	30 March 2001	34% (Class C)	100%
Total franked amount		1,819			

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Dividend franking account				
Class C (30%) franking credits available to shareholders of MaxiTRANS Industries Limited for subsequent financial years	**3,604**	4,363	**3,356**	2,151

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for franking debits that will arise from the payment of dividends recognised as a liability at year-end.

From 1 July 2002 the New Business Tax System (Imputation) Act 2002 requires measurement of franking credits based on the amount of income tax paid, rather than on after-tax profits. As a result the "franking credits available" were converted from $3,604,000 to $1,544,000 as at 1 July 2002.

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

23. Segment Information

Inter segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Business segments	Sales of new trailer units $'000	Spare parts and service $'000	Other $'000	Eliminations $'000	Consolidated $'000
Revenue					
External segment revenue	69,917	11,339	6,475	–	87,731
Inter-segment revenue		612	–	(612)	–
Total segment revenue	69,917	11,951	6,475	(612)	87,731
Other unallocated revenue					2,024
Total revenue					89,755
Result					
Segment result	3,174	1,126	335	–	4,635
Share of net profit of equity accounted investments					544
Unallocated corporate expenses					(1,770)
Profit from ordinary activities before related income tax expense					3,409
Income tax expense					(822)
Net profit					2,587
Depreciation and amortisation	2,725	108	187	–	3,020
Unallocated depreciation and amortisation					447
Total depreciation and amortisation					3,467
Individually significant items					
Revenue from sale of Coonara heater business					1,732
Costs and net book value of assets associated with the Coonara heater business					(1,112)
Profit on sale of Coonara business before tax					620
Assets					
Segment assets	43,820	6,822	2,546	–	53,188
Unallocated corporate assets					19,874
Consolidated total assets					73,062
Liabilities					
Segment liabilities	2,815	494	273	–	3,582
Unallocated corporate liabilities					23,568
Consolidated total liabilities					27,150
Acquisitions of non-current assets	2,547	565	532	–	3,644
Acquisitions of unallocated non-current assets					3,760
Consolidated total acquisitions of non-current assets					7,404

23. Segment Information (continued)

Secondary reporting – geographical segments

The consolidated entity's external revenues are predominately derived from customers located within Australia. The consolidated entity's assets and acquisitions of non-current assets are predominantly located within Australia.

Comparative information

No comparative segment information is provided as the information disclosed in the current financial period is significantly different to that which was required by the superseded AASB 1005 Segment Reporting. This is consistent with the requirements of AASB 1034 Financial Report Presentation and Disclosures.

24. Remuneration of Directors

	Consolidated		The Company	
	2002	2001	2002	2001
	$	$	$	$
Income paid or payable to all directors of the parent entity and each entity in the consolidated entity, by the entities of which they are directors and any related parties.	**544,000**	669,000	**544,000**	669,000

	The Company Number	
	2002	2001
The number of directors of the Company whose income from the Company or related bodies corporate falls within the following bands:		
$10,000 – $19,999	3	1
$20,000 – $29,999	–	1
$30,000 – $39,999	1	–
$40,000 – $49,999	1	3
$50,000 – $59,999	1	–
$60,000 – $69,999	–	2
$370,000 – $379,999	1	1

The remuneration bands are not necessarily consistent with the emoluments disclosed in the Report of the Directors as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and Australian Accounting Standards.

25. Executive Remuneration

	Consolidated		The Company	
	2002	2001	2002	2001
	$	$	$	$
Remuneration received or due and receivable by executive officers of the consolidated entity, from entities in the consolidated entity and any related entities for management of the affairs of the consolidated entity, whose remuneration is $100,000 or more.	**1,704,000**	1,461,000		
Remuneration received or due and receivable by executive officers of the parent entity, from the parent entity and any related parties for management of the affairs of the parent entity and its controlled entities, whose remuneration is $100,000 or more.			**1,222,000**	558,000

	Consolidated		The Company	
	2002	2001	2002	2001
The number of executives whose income from the Company or related bodies corporate falls within the following bands:				
$100,000 – $109,999	–	1	–	–
$110,000 – $119,999	3	2	2	–
$120,000 – $129,999	3	–	–	–
$130,000 – $139,999	2	1	2	1
$140,000 – $149,999	–	1	–	–
$150,000 – $159,999	–	1	–	–
$160,000 – $169,999	1	–	1	–
$180,000 – $189,999	1	1	1	1
$370,000 – $379,999	1	1	1	1

The remuneration bands are not necessarily consistent with the emoluments disclosed in the Report of the Directors as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and Australian Accounting Standards.

26. Employee Share and Option Plans

Summary of transactions

A total of 242,000 ordinary share options previously granted under the Directors and Employees Option Plan expired on 1 October 2001.

On 15 December 2000, options over 3,600,000 unissued ordinary Company shares were granted to Mr Michael Brockhoff and Mr John Nolan. The options were granted in accordance with the terms of the employment contracts of Messrs Brockhoff and Nolan. The market value of shares under these options as at 30 June 2002 was 16 cents per share (2001: 15 cents per share).

The options are exercisable as follows:

(i) Michael Brockhoff

The options below were issued to Mr Michael Brockhoff in accordance with his employment contract as negotiated prior to commencing his duties of Managing Director with MaxiTRANS Industries Limited.

Category	No. of options	Hurdle price	Exercise price	Expiry date
Category A:	1,000,000	25 Cents	17 Cents	30 June 2005
Category B:	1,000,000	37 Cents	17 Cents	30 June 2005
Category C:	1,000,000	50 Cents	17 Cents	30 June 2005

Options in each category may only be exercised if the closing ASX share price of ordinary shares on 20 consecutive trading days is exceeded as above (the hurdle price) – subject to the performance condition being satisfied before 30 June 2004.

The quantity of options in each category exercisable on or before the following dates is as follows:

30 June 2001	Nil
30 June 2002	25%
30 June 2003	50%
30 June 2004	75%
30 June 2005	100%

There are 3,000,000 options yet to be exercised at balance date.

(ii) John Nolan

The options below were issued to Mr John Nolan in accordance with his employment contract as negotiated prior to commencing his duties of Chief Financial Officer with MaxiTRANS Industries Limited.

Category	No of options	Exercise price	Expiry date
Category A:	200,000	20 Cents	30 June 2005
Category B:	200,000	23 Cents	30 June 2005
Category C:	200,000	26 Cents	30 June 2005

The quantity of options in each category exercisable on or before the following dates is as follows:

31 December 2000	Nil
31 December 2001	33%
31 December 2002	67%
31 December 2003	100%

There are 600,000 options yet to be exercised at balance date.

27. Related Party Transactions

(a) Equity interests in related parties

Equity interests in controlled entities:
Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 28 to the financial statements.

Equity interests in associated entities:
Details of the percentage of ordinary shares held in associated entities are disclosed in Note 29 to the financial statements.

(b) Transactions relating to the wholly-owned group

Details of dividend and interest revenue derived by the Company from wholly-owned controlled entities are disclosed in Note 3 to the financial statements. Details of interest expense in respect of transactions with wholly-owned controlled entities are disclosed in Note 4 to the financial statements.

Amounts receivable from wholly-owned controlled entities are disclosed in Note 8 to the financial statements. No interest is payable on these amounts.

Other transactions that occurred during the financial year between entities in the wholly owned group were the provision of manufactured material, rental of premises and management services. These transactions are in the normal course of business and on normal commercial terms and conditions.

(c) Directors

The names of each person holding the position of director of MaxiTRANS Industries Limited during the financial year are Messrs. I. R. Davis, J. R. Curtis, M.A. Brockhoff, G. F. Lord, R. J. Redman (retired 26 October 2001), N. K. Rogers (retired 26 October 2001) and M. D. Tilley (retired 26 October 2001).

(d) Directors' holdings of shares and share options

Directors and director related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in shares in the consolidated entity:

	Consolidated		The Company	
MaxiTRANS Industries Limited	**2002**	**2001**	**2002**	**2001**
– ordinary shares	**41,500,548**	40,137,197	**41,500,548**	40,137,197
– options over ordinary shares	**3,000,000**	3,000,000	**3,000,000**	3,000,000

(e) Directors' transactions in shares and share options

Directors and their related entities acquired 1,635,536 existing ordinary shares in MaxiTRANS Industries Limited on terms and conditions no more favourable than those available to other shareholders acting on an arms length basis. No shares held by directors and their related entities were disposed of during the year.

No options were granted to directors and their related parties during the year. During the year none of the options granted to directors and their director-related entities were exercised.

(f) Directors remuneration and retirement benefits

Details of directors' remuneration and retirement benefits are disclosed in Note 24 to the financial statements.

27. Related Party Transactions (continued)

(g) Transactions with director related entities

MaxiTRANS Industries Limited paid legal fees of $249,312 (2001: $64,025) to Minter Ellison of which Mr I.R. Davis is National Chairman. All dealings were in the ordinary course of business and on normal commercial terms and conditions.

MaxiTRANS Industries Limited paid consulting fees and expenses of $17,354 (2001: $29,477) to Regalis Pty Ltd of which Mr R. J. Redman is a director. All dealings were in the ordinary course of business and on normal commercial terms and conditions. Mr Redman retired as a director on 26 October 2001.

MaxiTRANS Industries Limited paid consulting fees of $16,670 (2001: $3,334) to Oliver Corporate Affairs and $24,000 (2001: Nil) to Terrain Capital Limited, firms in which Mr G. F. Lord has an interest. All dealings were in the ordinary course of business and on normal commercial terms and conditions.

Apart from the details disclosed in this note, 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 existing at year end.

(h) Transactions with non-director related entities

All transactions with associated companies are on normal terms and conditions.

28. Investment in Controlled Entities

Name of Entity	Country of incorp.	Class of shares	Interest held 2002 %	Interest held 2001 %
The Company:				
MaxiTRANS Industries Limited				
Controlled entities of MaxiTRANS Industries Limited:				
MaxiTRANS Australia Pty Ltd	Aust.	Ord.	100	100
Transtech Research Pty Ltd	Aust.	Ord.	100	100
Trail Truck Parts Pty Ltd (formerly MaxiTRANS Panels Pty Ltd)	Aust.	Ord.	100	100
MaxiTRANS Industries (NZ) Pty Ltd	Aust.	Ord.	100	100
TraileRentals Pty Ltd	Aust.	Ord.	100	100
MaxiPARTS Pty Ltd (formerly MaxiTRANS Property Holdings Pty Ltd)	Aust.	Ord.	100	100
MaxiTRANS Services Pty Ltd (formerly MaxiTRANS Manufacturing Pty Ltd)	Aust.	Ord.	100	100
Aranooc Pty Ltd (in voluntary liquidation)	Aust.	Ord.	100	100

Former wholly owned subsidiary companies ACN 060 246 415 Pty Ltd and ACN 084 230 973 Pty Ltd were liquidated on 28 August 2002.

29. Investments Accounted for Using the Equity Method

Investments in associates

Name of entity	Principal activity	Ownership interest		Consolidated carrying amount		The Company carrying amount	
		2002	2001	2002	2001	2002	2001
		%	%	$'000	$'000	$'000	$'000
Freighter Maxi-Cube Queensland Trust (formerly Goode-Judge Unit Trust)	Trailer retailer	**33.33**	33.33	**747**	556	**–**	–
Yangzhou Maxi-Cube Tong Composites Co. Limited	Panel manufacturer	**50.00**	50.00	**2,006**	1,991	**1,496**	1,496
				2,753	2,547	**1,496**	1,496

	Consolidated 2002 $'000	Consolidated 2001 $'000
Movements in carrying amounts of investments in associates		
Carrying amount of investments in associates at the beginning of the financial year	**2,547**	2,173
Additional investment in associates during the year	**–**	33
Profit distribution from associates	**(164)**	(186)
Share of associates' profit	**544**	256
Share of increment in foreign currency reserves	**(174)**	271
Carrying amount of investments in associates at end of year	**2,753**	2,547
Results of associates		
Share of associates profit from ordinary activities before income tax	**565**	361
Share of associates income tax expense relating to profit from ordinary activities	**–**	(84)
Share of associates net profit – as disclosed by associates	**565**	277
Adjustments:		
amortisation of goodwill arising from investment	**(21)**	(21)
Share of associates net profits using the equity method	**544**	256
Share of post acquisition retained profits and reserves attributable to associates		
Retained profits		
Retained profits attributable to associates at the beginning of the financial year	**34**	(36)
Share of associates net profits using the equity method	**544**	256
Profits distributed from associates	**(164)**	(186)
Share of associates retained profits at end of year	**414**	34

29. Investments Accounted for Using the Equity Method (continued)

	Consolidated 2002 $'000	2001 $'000
Share of post acquisition retained profits and reserves attributable to associates (continued)		
Reserves		
Foreign currency translation reserve		
Balance at the beginning of the financial year	589	318
Share of increment/(decrement) in reserve during the financial year	(174)	271
Balance at the end of the financial year	415	589
Summary financial position of associates		
Assets	8,527	7,672
Liabilities	(4,697)	(3,871)
Net assets as reported by associates	3,830	3,801
Adjustments arising from equity accounting		
– Goodwill (net of amortisation)	(371)	(392)
– Other adjustments	(706)	(862)
Net assets – equity adjusted	2,753	2,547
Share of associates contingent liabilities		
Guaranteed bank facilities	315	315
Share of associates commitments		
Capital expenditure commitments contracted but not provided for and payable within 1 year	35	–
Share of associates operating lease commitments payable		
Within one year	109	95
One year or later and no later than five years	459	409
Later than five years	–	100
	568	604

Balance date

The balance date for Yangzhou Maxi-Cube Tong Composites Co. Ltd is 31 December.

30. Note to the Statements of Cash Flows

		Consolidated		The Company	
		2002	2001	2002	2001
		$'000	$'000	$'000	$'000
(a)	**Reconciliation of cash flow from operations with operating profit/(loss) after tax**				
	Operating profit/(loss) after income tax	2,587	1,609	4,264	1,118
	Non cash flows in operating profit				
	Depreciation/amortisation of assets	3,467	3,498	71	95
	(Profit)/loss on sale of fixed assets	(936)	(208)	22	1
	Bad debts written off	(12)	–	–	–
	Share of associate (profit)/loss	(544)	(256)	–	–
	Change in assets and liabilities				
	(Increase)/decrease in receivables	2,351	3,143	(6)	30
	(Increase)/decrease in other assets	61	16	1	30
	(Increase)/decrease in inventories	170	(8)	–	–
	Increase/(decrease) in accounts payable and other liabilities	(628)	1,196	(19)	(69)
	Increase/(decrease) in deferred taxes	910	665	(1)	(9)
	Increase/(decrease) in provisions	237	(341)	–	–
	Cash flow from operations	7,663	9,314	4,332	1,196
(b)	**Reconciliation of cash**				
	Bank overdraft	–	–	(50)	–
	Deposits at call	6	1,058	–	1,059
	Cash at bank and on hand	580	493	–	–
	Net cash	586	1,551	(50)	1,059
(c)	**Non-cash financing and investing activities**				
	Acquisition of plant and equipment by means of finance leases	352	132	–	–

These acquisitions are not reflected in the statements of cash flows.

During the year ended 30 June 2002, 2,710,402 shares with a value of $394,446 were issued in accordance with the Company's ordinary share dividend re-investment plan (2001: Nil).

31. Finance Facilities

	Consolidated		The Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
At year end, the consolidated entity had the following financing facilities in place with its bankers:				
Available facilities				
Loan facility	**15,300**	13,800	–	–
Overdraft facility	**900**	900	–	–
Lease facility	**814**	814	–	–
Other facilities	**600**	600	–	–
	17,614	16,114	–	–
Facilities utilised at balance date				
Loan facility	**10,000**	12,400	–	–
Lease facility	**516**	559	–	–
Other facilities	**600**	600	–	–
	11,116	13,559	–	–
Facilities not utilised at balance date				
Loan facility	**5,300**	1,400	–	–
Overdraft facility	**900**	900	–	–
Lease facility	**298**	255	–	–
	6,498	2,555	–	–

The loan, overdraft and other facilities are fully secured by a registered equitable mortgage over the whole of the assets and undertakings of the consolidated entity and a registered mortgage over certain land and buildings of controlled entities. The carrying amount of assets pledged as security is $13,015,000 (2001: $9,899,000).

The loan facility is subject to annual review. Termination of the agreement can be effected by notice in writing from either party. Interest rates are a combination of fixed and variable. The bank overdraft is payable on demand and subject to annual review.

32. Capital and Leasing Commitments

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
(a) Finance lease commitments				
Payable				
– not later than 1 year	**172**	133	**26**	12
– later than 1 year but not later than 5 years	**409**	194	**–**	36
– later than 5 years	**–**	–	**–**	–
Minimum lease payments	**581**	327	**26**	48
Future finance charges	**(96)**	(17)	**(2)**	(15)
Total Lease Liability	**485**	310	**24**	33

The consolidated entity leases motor vehicles under finance leases expiring from one to four years. At the end of the lease term the consolidated entity has the option to purchase the equipment at varying percentages of the original purchase price.

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
(b) Operating lease commitments				
Future operating lease rentals not provided for in the financial statements and payable:				
– not later than 1 year	**1,174**	1,563	**–**	65
– later than 1 year but not later than 5 years	**1,720**	2,750	**–**	49
– later than 5 years	**46**	226	**–**	
Total operating lease commitments	**2,940**	4,539	**–**	114

The consolidated entity leases property under operating leases expiring from one to seven years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
(c) Capital expenditure commitments				
Contracted but not provided for and payable not later than 1 year	**3,645**	900	**–**	–

33. Remuneration of Auditor

	Consolidated 2002 $'000	Consolidated 2001 $'000	The Company 2002 $'000	The Company 2001 $'000
Remuneration of the auditor of the Company for:				
– auditing or reviewing the financial statements	**113,000**	101,000	**33,000**	5,000
– other services (taxation, advisory and company liquidations)	**106,000**	114,000	**1,000**	97,000
	219,000	215,000	**34,000**	102,000

34. Financial Instruments

(a) **Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Derivative financial instruments have not been used by the consolidated entity to hedge exposure to exchange rate risk associated with foreign currency transactions. Interest rate risk associated with movements in interest rates which impact on the borrowings of the consolidated entity is partly fixed through the forward purchase of bank bills.

(b) **Interest rate risk**

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

			Fixed interest rate				
	Average interest rate	Variable interest	Less than 1 year	1 to 5 years	More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2002							
Financial assets							
Cash	4.0	6	–	–	–	580	586
Trade receivables		–	–	–	–	8,079	8,079
Other receivables		–	–	–	–	49	49
		6	–	–	–	8,708	8,714
Financial liabilities							
Accounts payable		–	–	–	–	12,470	12,470
Bank loans	6.4	4,000	6,000	–	–	–	10,000
Finance leases	7.2	–	143	342	–	–	485
Other		–	–	–	–	1,842	1,842
Dividends payable		–	–	–	–	135	135
Employee entitlements		–	–	–	–	2,218	2,218
		4,000	6,143	342	–	16,665	27,150
Year ended 30 June 2001							
Financial assets							
Cash	4.7	1,547	–	–	–	4	1,551
Trade receivables		–	–	–	–	8,290	8,290
Other receivables		–	–	–	–	2,323	2,323
		1,547	–	–	–	10,617	12,164
Financial liabilities							
Accounts payable		–	–	–	–	13,355	13,355
Bank loans	7.4	3,500	–	8,900	–	–	12,400
Finance leases	8.3	–	126	184	–	–	310
Other		–	–	–	–	1,402	1,402
Dividends payable		–	–	–	–	1,414	1,414
Employee entitlements		–	–	–	–	2,164	2,164
		3,500	126	9,084	–	18,335	31,045

34. Financial Instruments (continued)

(c) **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults.

The consolidated entity does not have any significant credit risk exposure to any single counter-party. The majority of accounts receivable are due from entities within the transport industry.

The following table details the consolidated entity's maximum credit risk exposure as at the reporting date without taking account of the value of any collateral or other security obtained.

	Maximum credit risk	
	2002	2001
	$'000	$'000
Financial assets		
Recognised financial assets		
Trade receivables	8,079	8,290
Other receivables	49	2,323
	8,128	10,613

(d) **Net fair value**

The following tables detail the net market value as at the reporting date of each class of financial asset and financial liability, both recognised and unrecognised.

	Carrying amount		Net fair value	
	2002	2001	2002	2001
	$'000	$'000	$'000	$'000
Financial assets				
Traded on organised markets	–	14	–	14
Not readily traded				
Trade receivables	8,079	8,290	8,079	8,290
Other receivables	49	2,323	49	2,323
	8,128	10,627	8,128	10,627
Financial liabilities				
Traded on organised markets	–	–	–	–
Not readily traded				
Accounts payable	12,470	13,355	12,470	13,355
Bank loans	10,000	12,400	10,000	12,400
Finance leases	485	310	485	310
Other	1,842	1,402	1,842	1,402
Dividends payable	135	1,414	135	1,414
Employee entitlements	2,218	2,164	2,218	2,164
	27,150	31,045	27,150	31,045

Determination of net fair value

For the purposes of the above tables, net fair value has been determined as follows:

- in respect of financial assets and financial liabilities – with reference to the carrying amount of such assets and liabilities in the consolidated statement of financial position determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

35. Events Subsequent to Balance Date

There has not arisen since in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in subsequent financial years.

36. Litigation

At any given point in time the consolidated entity may be engaged in defending legal actions brought against it. At the date of this report the consolidated entity is not subject to any material legal action.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MAXITRANS INDUSTRIES LIMITED

Scope

We have audited the financial report of MaxiTRANS Industries Limited 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 36 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 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 whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia 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 MaxiTRANS Industries 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 in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

KPMG

JJ O'Connell
Partner

Dated at Melbourne, this 6th day of September 2002

AUSTRALIAN STOCK EXCHANGE ADDITIONAL INFORMATION

for the year ended 30 June 2002

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

Shareholdings

Substantial shareholders

The names of the substantial shareholders listed in the Company's register as at 30 August 2002 are:

	Ordinary shares	Preference shares
Transcap Pty Ltd and related parties	26,714,185	Nil
Belgravia Group and related parties	13,335,603	Nil
Portfolio Partners	7,196,289	Nil
National Australia Bank Limited	Nil	7,000,000

Voting rights

As at 30 August 2002, there were 1,883 holders of ordinary shares of the Company.

Subject to the Constitution of the Company, holders of ordinary shares are entitled to vote as follows:

(a) every shareholder may vote;

(b) on a show of hands every shareholder has one vote;

(c) on a poll every shareholder has:
   (i) one vote for each fully paid share; and
   (ii) for each partly paid share held by the shareholder, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on the share.

As at 30 August 2002 there were options over 3,600,000 unissued ordinary shares granted to employees under the Directors and Employees Option Plan. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the issued ordinary shares when the options have been exercised.

Holders of converting preference shares will only be entitled to vote in limited circumstances, including arrears of dividend, a reduction in capital, and the issue of more than 10% of the Company's capital.

Distribution of shareholders (As at 30 August 2002)

Category – No of shares			Number of shareholders ordinary	preference
1	–	1,000	81	–
1,001	–	5,000	344	25
5,001	–	10,000	346	4
10,001	–	100,000	949	43
100,001	and over		163	13
			1,883	85

Shareholders with less than a marketable parcel

As at 30 August 2002, there were 179 shareholders holding less than a marketable parcel of 2,632 ordinary shares ($0.19 on 30 August 2002) in the Company totalling 213,399 ordinary shares and no shareholders with less than a marketable parcel of 1,250 preference shares ($0.40 on 31 July 2002) in the Company.

On market buyback

There is no current on-market buy-back.

AUSTRALIAN STOCK EXCHANGE ADDITIONAL INFORMATION (continued)

for the year ended 30 June 2002

Twenty largest shareholders – ordinary shares (As at 30 August 2002) Name	Number of fully paid ordinary shares held	Percentage held of issued ordinary shares
Transcap Pty Ltd	22,009,985	16.85%
Selpam Pty Ltd	7,560,000	5.79%
JP Morgan Nominees Australia Limited	6,879,089	5.27%
Toroa Pty Ltd	3,511,200	2.69%
HSBC Custody Nominees (Australia) Limited	3,395,157	2.60%
ANZ Nominees Limited	3,123,585	2.39%
PAPL Ebsco Pty Ltd	1,724,000	1.32%
John E Gill Operations Pty Ltd	1,251,541	0.96%
National Nominees Pty Ltd	1,226,002	0.94%
Mr J R Curtis	1,193,000	0.93%
John E Gill Trading Pty Ltd	1,179,324	0.90%
Pensive Nominees Limited	1,150,000	0.88%
Invia Custodian Pty Ltd	1,077,379	0.82%
Mr E P & Ms J E Tocchet	1,049,965	0.80%
Barkis Pty Ltd	1,000,000	0.77%
Ms C A Brown	1,000,000	0.77%
Mr I Greenhalgh	975,000	0.75%
Belgravia Strategic Equities Pty Ltd	933,178	0.71%
Trust Company Superannuation Services Limited	875,000	0.67%
Equity Trustees Limited	865,000	0.66%
TOTAL	**61,978,405**	**47.37%**

Twenty largest shareholders – preference shares (As at 30 August 2002) Name	Number of fully paid preference shares held	Percentage held of issued preference shares
National Australia Investment Capital Limited	7,000,000	46.67%
Citicorp Nominees Pty Ltd	1,415,000	9.43%
Colonial Investment Services Limited	1,087,000	7.25%
JP Morgan Australia Nominees Australia Limited	625,000	4.17%
Mr G Berger	586,000	3.91%
D & D Tolhurst Limited	450,000	3.00%
Aussie Homes (Qld) Pty Ltd	411,854	2.75%
DBR Investments Pty Ltd	375,000	2.50%
Malla Pty Ltd	200,000	1.33%
Mr P McWilliam	150,000	1.00%
Ms P Pringle	150,000	1.00%
Mr AF & Mrs A Sallman	130,000	0.87%
Mrs K & Mr H Cator	100,000	0.67%
Crosszan Pty Ltd	100,000	0.67%
Decmar Pty Ltd	100,000	0.67%
Equity Trustees Limited (P Clemenger Super A/C)	100,000	0.67%
Equity Trustees Limited (J Porter Super Fund A/C)	100,000	0.67%
Mr R Howard	100,000	0.67%
Pinhop Pty Ltd	100,000	0.67%
Mr J Righetti	100,000	0.67%
UBS Warburg Private Clients	100,000	0.67%
TOTAL	**13,479,854**	**89.87%**

AUSTRALIAN STOCK EXCHANGE ADDITIONAL INFORMATION (continued)

for the year ended 30 June 2002

Offices and Officers

Company Secretary

Mr N.F. Gillies

Registered Office

Level 1, 5 Wellington Street
KEW VIC 3101
Phone (03) 8368 1177

Principal Place of Business

346 Boundary Road
DERRIMUT VIC 3030
Phone (03) 8368 1177

Share Registry

ASX Perpetual Registrars Limited
Level 4, 333 Collins Street
MELBOURNE VIC 3000

Solicitors

Minter Ellison
Level 23, Rialto Towers,
525 Collins Street
MELBOURNE VIC 3000

Auditor

KPMG
161 Collins Street
MELBOURNE VIC 3000

Bankers

Commonwealth Bank of Australia
385 Bourke Street
MELBOURNE VIC 3000

Stock Exchange

The Company is listed on the Australian Stock Exchange.
The home exchange is the Australian Stock Exchange.
The Company's home branch of the Australian Stock Exchange is Melbourne.

Other Information

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

MAXITRANS BUSINESS LOCATIONS

New Victorian Branch facility at
Derrimut completed September 2002

AUSTRALIA

MaxiTRANS Industries Limited

Corporate Office

346 Boundary Road
Derrimut, Victoria 3030
Telephone (03) 8368 1177
Facsimile (03) 8368 1178

MaxiTRANS Australia Pty Ltd

New Equipment Sales

346 Boundary Road
Derrimut, Victoria 3030
Telephone (03) 8368 1111
Facsimile (03) 8368 1112

Used Equipment Sales

346 Boundary Road
Derrimut, Victoria 3030
Telephone (03) 8368 1122
Facsimile (03) 8368 1123

270 Hume Highway
Craigieburn, Victoria 3064
Telephone (03) 9305 5422
Facsimile (03) 9305 7541

Retail Parts

346 Boundary Road
Derrimut, Victoria 3030
Telephone (03) 8368 1155
Facsimile (03) 8368 1156

145 South Gippsland Hwy
Dandenong, Victoria 3175
Telephone (03) 9793 2899
Facsimile (03) 9793 5185

TraileRentals

346 Boundary Road
Derrimut, Victoria 3030
Telephone (03) 8368 1133
Facsimile (03) 8368 1134

270 Hume Highway
Craigieburn, Victoria 3064
Telephone (03) 9305 5422
Facsimile (03) 9305 7541

Repairs and Service

346 Boundary Road
Derrimut, Victoria 3030
Telephone (03) 8368 1144
Facsimile (03) 8368 1145

17–25 Abbot Road
Hallam, Victoria 3803
Telephone (03) 9215 4372
Facsimile (03) 9703 2901

Manufacturing and Assembly Plant

233 Learmonth Road
Wendouree, Victoria 3355
Telephone (03) 5339 0300
Facsimile (03) 5338 1305

MaxiTRANS Panels and PANELMasta

31 Hallam South Road
Hallam, Victoria 3803
Telephone (03) 9215 4351
Facsimile (03) 9703 1374

NEW ZEALAND

MaxiTRANS Industries (NZ) Pty Ltd

88–90 Takanini School Road
Auckland, New Zealand
Telephone 64 9 267 5714
Facsimile 64 9 267 5410

MaxiTRANS Industries Limited ACN 006 797 173

Visit our website at
www.maxitrans.com.au