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STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2003

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenues from Ordinary Activities	2	666,525	615,843	29,974	47,984
Expenses related to ordinary activities	3(a)	(573,093)	(534,258)	(6)	(8)
Borrowing costs related to ordinary activities	3(b)	(14,856)	(14,940)	(684)	(673)
Profit from Ordinary Activities before Income Tax Expense		78,576	66,645	29,284	47,303
Income Tax Expense Relating to Ordinary Activities	4(a)	(23,569)	(19,995)	(377)	(368)
Net Profit Attributable to Members of GWA International Limited	20	55,007	46,650	28,907	46,935
Net exchange difference on translation of financial statements of foreign controlled entities	20	(1,646)	1,507	-	-
Total Changes in Equity other than those resulting from Transactions with Owners as Owners		53,361	48,157	28,907	46,935
Basic earnings per share (cents per share)	31	19.8	16.8		
Franked dividends per share (cents per share)	5	18.0	17.0		

Note: The final dividend of 8c per share has not been provided for at 30 June 2003 under the new requirements of AASB 1044.



STATEMENT OF FINANCIAL POSITION

As at 30 June 2003

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Current Assets					
Cash assets	6	88,505	66,817	-	-
Receivables	7	83,977	81,309	495	564
Inventories	8	117,638	114,308	-	-
Other-Prepayments		2,884	4,570	-	-
Total Current Assets		293,004	267,004	495	564
Non-Current Assets					
Receivables	9	4,367	5,773	400,541	371,130
Other Financial Assets	10	-	-	325,646	325,646
Property, plant and equipment	11	166,152	172,174	-	-
Brand names and other intellectual property	12	356,212	357,327	-	-
Goodwill	13	1,775	2,675	-	-
Deferred tax assets	4	22,105	16,791	-	-
Total Non-Current Assets		550,611	554,740	726,187	696,776
Total Assets		843,615	821,744	726,682	697,340
Current Liabilities					
Payables	14	67,372	58,756	-	-
Interest bearing liabilities	15	-	-	28	12
Current tax liabilities	4	16,127	13,448	377	395
Provisions	16	33,735	49,775	-	20,823
Total Current Liabilities		117,234	121,979	405	21,230
Non-Current Liabilities					
Interest bearing liabilities	17	296,183	296,252	11,750	11,750
Non-interest bearing liabilities	17	-	-	367,663	318,980
Deferred tax liabilities	4	1,179	1,532	-	-
Provisions	18	15,232	14,132	-	-
Total Non-Current Liabilities		312,594	311,916	379,413	330,730
Total Liabilities		429,828	433,895	379,818	351,960
Net Assets		413,787	387,849	346,864	345,380
Equity					
Contributed equity	19	345,493	345,124	345,493	345,124
Reserves	20	(114)	1,532	-	-
Retained profits	20	68,408	41,193	1,371	256
Total Equity		413,787	387,849	346,864	345,380
Contingent liabilities	23				
Commitments for expenditure	24				

STATEMENT OF CASH FLOWS

For the year ended 30 June 2003

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Cash flows from operating activities					
Receipts from customers		806,110	732,637	1,874	1,835
Payments to suppliers and employees		(677,910)	(615,830)	-	-
Dividends received		-	-	28,100	46,150
Interest received	2(b)	2,488	1,870	-	-
Borrowing costs		(13,281)	(17,007)	(690)	(682)
Income tax paid		(26,000)	(14,624)	(395)	(376)
Net cash from operating activities	30	91,407	87,046	28,889	46,927
Cash flows from investing activities					
Payments for property, plant and equipment		(24,392)	(32,976)	-	-
Proceeds from sale of property, plant and equipment	2(b)	1,849	2,296	-	-
Payment for acquisition of business		-	(1,267)	-	-
Net cash used in investing activities		(22,543)	(31,947)	-	-
Cash flows from financing activities					
Repayment of borrowings		-	(3,336)	-	-
Proceeds from borrowings		508	-	-	-
Proceeds from issue of shares		370	861	370	861
Employee share plan loans		(370)	(861)	(370)	(861)
Repayment of employee share plan loans		1,067	662	1,067	662
Dividends paid		(48,615)	(45,811)	(48,615)	(45,811)
Proceeds from loans from related parties		-	-	18,643	45,883
Loan repaid by other parties		778	546	-	-
Loans to other parties		-	(1,617)	-	-
Loans to related parties		-	-	-	(47,649)
Net cash used in financing activities		(46,262)	(49,556)	(28,905)	(46,915)
Net increase/(decrease) in cash held		22,602	5,543	(16)	12
Cash/(Overdraft) at the beginning of the financial period		66,817	60,770	(12)	(24)
Effects of exchange rate changes on cash		(914)	504	-	-
Cash/(Overdraft) at the end of the financial period	6 & 15	88,505	66,817	(28)	(12)
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NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2003

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial statements have been prepared in accordance with the historical cost convention.

(a) Changes in Accounting Policy

The accounting policies adopted are consistent with those of the previous year except for the accounting policies with respect to the provision for dividends.

(i) Provision for dividends

The consolidated entity has adopted the new Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" which has resulted in a change in the accounting for the dividends provision. Previously, the consolidated entity recognised a provision for dividend based on the amount that was proposed or declared after the reporting date. In accordance with the requirements of the new Standard, a provision for dividends will only be recognised at the reporting date where the dividends have been declared, determined or publicly recommended prior to the reporting date. The effect of the revised policy has been to increase consolidated retained profits and decrease provisions at the beginning of the year by \$20,823,000 (refer to note 20(b)). In accordance with the new Standard, no provision for dividend has been recognised for the year ended 30 June 2003.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by GWA International Limited ("the chief entity") as at 30 June 2003 and the results of all controlled entities for the year then ended. GWA International Limited and its controlled entities together are referred to in this financial report as the economic entity. The effects of all transactions between entities in the economic entity are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

(c) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the net profit is matched with the accounting profit after allowing for permanent differences. The future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to the deferred income tax and future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse. No provision is made for additional taxes which could become payable if certain reserves of the foreign controlled entities were to be distributed as it is not expected that any substantial amount will be distributed from those reserves in the foreseeable future.

The income tax expense for the year is calculated using the 30% tax rate (2002:30%).

(d) Foreign Currency Translation

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit and loss for the year.

Specific Commitment

Forward exchange contracts of generally less than 12 months are entered into to hedge the purchase of components, trading stock and major plant and equipment. Gains or costs arising on entry into a hedge transaction and subsequent exchange gains and losses resulting from those transactions up to the date of purchase are deferred and included in the measurement of the purchase cost.

Foreign Controlled Entities

The foreign controlled entities are self-sustaining and exchange differences arising on translation are taken directly to the foreign currency translation reserve.



(e) Acquisition of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed manufacturing overhead expenditure for work in progress and finished goods. Costs are assigned to individual items of stock, mainly on the basis of weighted average costs.

(g) Recoverable Amount

Non-current assets are not carried at an amount above their recoverable amount and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

(h) Investments

Interests in companies, other than controlled entities and investments in listed companies, are shown as investments at cost, and dividend income is recognised in the statement of financial performance when received.

(i) Leasehold Improvements

The cost of improvements to or on leasehold properties is capitalised and amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

(j) Leased Non-Current Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits of ownership.

Where a non-current asset is acquired by means of a finance lease, the asset is established at its fair value at the inception of the lease. The liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are recognised in profit from ordinary activities in equal installments over the lease term.

(k) Non-Current Assets Constructed by the Economic Entity

The cost of non-current assets constructed by the economic entity includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead including borrowing costs.

(l) Depreciation

Depreciation is calculated on a straight line basis to write off the cost of each item of property, plant and equipment over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets.

Major depreciation periods are:	2003	2002
Freehold Buildings	40 years	40 years
Plant & Equipment	3 - 10 years	3 - 10 years
Motor Vehicles	5 years	5 years

Major spares purchased specifically for particular plant are included in the cost of plant and are depreciated accordingly.

(m) Brand Names and Other Intellectual Property

Brand names and other intellectual property includes brand names and trademarks. Expenditure incurred in developing, maintaining or enhancing brand names is written off against profit from ordinary activities in the year in which it is incurred.

The brand names are not amortised as the directors believe that their useful lives are of such duration that the amortisation charge, if any, would not be material. The carrying value of these brand names and other intellectual property is reviewed each year to ensure that it is not in excess of their recoverable amount.

(n) Maintenance and Repairs

Maintenance, repair costs and minor renewals are recognised as expenses as incurred.

(o) Service Warranties

Provision is made, out of revenue, for the estimated liability on all products still under warranty at balance date. This provision is estimated having regard to service warranty experience on each class of products.

(p) Cash

For the purposes of the statements of cash flows, cash includes cash on hand and in banks and money market investments readily convertible to cash, net of outstanding bank overdrafts.

Goods and Services tax received from customers is included in cash flows from customers while Goods and Services tax paid on supplies, acquisitions and plant and equipment is included in payments to suppliers and employees.

Goods and Services tax is not included in revenue or expenses and is included in receivables and payables.

(q) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts expected to be paid in the year following the reporting date. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, annual leave, long service leave, sick leave and other leave entitlements; and
- other types of employee benefits,

are recognised against profits in their respective categories.

(r) Earnings per Share

Basic earnings per share is determined by dividing the profit from ordinary activities by the weighted average number of ordinary shares outstanding during the financial year.

(s) Financial Instruments

The economic entity has non-current borrowings and operates internationally, giving rise to significant exposure to market risks from changes in interest rates and foreign exchange rates. Derivative financial instruments are utilised by the economic entity to reduce those risks, as explained in this note.

Interest Rate Related Derivatives

An entity within the economic entity enters into various types of interest rate contracts with the major banks in managing its floating interest rate risk on a portion of its non-current borrowings. Gains and losses on these contracts are accounted for on the same basis as the underlying borrowing they are hedging.

Exchange Rate Related Derivatives

Entities within the economic entity enter into various types of foreign exchange contracts with the major banks in managing its foreign exchange risk with purchases of raw materials and finished goods for resale. Gains or costs arising on entry into a hedge transaction are included in the measurement of the purchase cost. Subsequent exchange gains and losses resulting from those transactions up to the date of purchase are deferred and included in the measurement of the purchase cost, where the hedge is of a specified commitment. Where the hedge is general in nature, exchange gains and losses are included in the statement of financial performance when they arise.



(t) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable net assets acquired at the time of acquisition of shares in the controlled entity. Goodwill is amortised on a straight line basis over the shorter of 20 years and the minimum period during which the benefits are expected to arise. The goodwill purchased with the Gainsborough Hardware Industries Limited acquisition was first amortised in the 1995/96 year on a straight line basis over a period of 10 years. The goodwill purchased with the acquisition of the exclusive import and distribution rights to Hansa tapware products has been fully amortised on a straight line basis over a period of 5 years. Amortisation periods are reviewed at each balance date. No goodwill was acquired during the year ended 30 June 2003.

(u) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Control of the goods has passed to the buyer.

Rendering of Services

Where the contract outcome can be reliably measured, control of a right to be compensated for the services has been attained and the stage of completion can be reliably measured. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Interest

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

Dividends

Control of a right to receive consideration for the investment in assets is attained, dividend income is recognised in the statement of financial performance when received.

(v) Revenue Measurement

The measurement of revenue from the sale of goods is sales revenue net of trade discounts and volume rebates.

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
2. REVENUE FROM ORDINARY ACTIVITIES					
(a) Revenues from Operating Activities					
- Sale of goods	1 (v)	659,589	609,535	-	-
(b) Revenues from Non-operating Activities					
- Dividends received/receivable – controlled entities		-	-	28,100	46,150
- Interest received/receivable – other corporations		2,488	1,870	-	-
- Proceeds from the sale of property, plant and equipment		1,849	2,296	-	-
- Foreign exchange gains		1,220	1,419	-	-
- Unit Trust Distribution		-	-	1,874	1,834
- Other		1,379	723	-	-
Total Revenues from Non-Operating Activities		6,936	6,308	29,974	47,984
Total Revenues from Ordinary Activities		666,525	615,843	29,974	47,984
3. EXPENSES FROM ORDINARY ACTIVITIES					
(a) Expenses related to Ordinary Activities					
- Cost of Sales		368,211	338,115	-	-
- Selling and distribution		125,408	119,498	-	-
- Administration		72,986	68,431	6	8
- Other		6,488	8,214	-	-
Total Expenses related to Ordinary Activities		573,093	534,258	6	8
(b) Borrowing costs					
Interest expense					
- Controlled entities		-	-	684	673
- Other Corporations		14,856	14,940	-	-
Total borrowing costs expensed		14,856	14,940	684	673
Profit from Ordinary Activities before Income Tax Expense					
Income Tax Expense Relating to Ordinary Activities	4(a)	(23,569)	(19,995)	(377)	(368)
Net profit Attributable to Members of GWA International Limited					
		55,007	46,650	28,907	46,935
Retained earnings at beginning of year	20(b)	41,193	41,770	256	548
Adjustment arising from the adoption of revised accounting standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	1 (a) (i)	20,823	-	20,823	-
Total available for appropriation		117,023	88,420	49,986	47,483
Dividends provided for or paid	20(b)	(48,615)	(47,227)	(48,615)	(47,227)
Retained Earnings		68,408	41,193	1,371	256



	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
3. EXPENSES FROM ORDINARY ACTIVITIES (Continued)					
(c) Losses/(Gains)					
Net Loss/(Gain) on sale of property, plant and equipment		1,059	142	-	-
Net Foreign exchange (Gain)/Loss – other		(355)	(84)	-	-
– realised				-	-
– unrealised		221	(136)	-	-
(d) Other Expenses					
Amortisation – Goodwill		900	931	-	-
Depreciation of Non Current Assets					
- Freehold Buildings		1,137	1,137	-	-
- Plant and Equipment		23,255	24,021	-	-
- Motor Vehicles		2,742	2,723	-	-
Total Depreciation and Amortisation Expense		28,034	28,812	-	-
Other charges against assets					
- Write down of inventories		8,766	2,584	-	-
- Provision for doubtful debts and bad debts written off		902	839	-	-
Total other charges/(credits) against assets		9,668	3,423	-	-
Other provisions					
- Service warranties		3,586	2,955	-	-
- Employee benefits and on costs		15,547	13,796	-	-
- Insurances (inc Workers Compensation)		2,885	2,846	-	-
- Other		4,926	6,762	-	-
Total other provisions		26,944	26,359	-	-
Rental expense relating to operating leases					
- Properties		7,446	6,889	-	-
- Plant		688	665	-	-
Research and development		5,770	5,064	-	-

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
4. INCOME TAX					
(a) Reconciliation of income tax expense					
Profit from ordinary activities before income tax		78,576	66,645	29,284	47,303
Prima facie tax on profit from ordinary activities (30%, 2002 - 30%)		23,573	19,994	8,785	14,191
Tax effect of permanent differences:					
Non deductible building depreciation and allowances		134	170	22	22
Non allowable expenditure		1,246	1,327	-	-
Goodwill amortisation		270	270	-	-
Research and development allowance		(34)	-	-	-
Finalisation tax rate change		-	(32)	-	-
Rebateable dividends		-	-	(8,430)	(13,845)
Income tax adjusted for permanent differences		25,189	21,729	377	368
Effect of different rates of tax on overseas income		96	324	-	-
Under/(over) provision in previous year		(1,716)	(2,058)	-	-
Income tax expense attributable to ordinary activities		23,569	19,995	377	368
(b) Deferred tax assets and liabilities					
Current tax payable		16,127	13,448	377	395
Provision for deferred income tax – non-current		1,179	1,532	-	-
Future income tax benefit – non-current		22,105	16,791	-	-
(c) No part of the future income tax benefit shown in (b) is attributable to tax losses.					



Notes	Consolidated		Chief Entity	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
5. DIVIDENDS				
Ordinary				
Franked dividend paid				
- Final dividend 2002 under provided	12	-	12	-
- Interim (7.5c per share, 2002: 7.0c)	20,835	19,435	20,835	19,435
- Special (2.5c per share, 2002: 2.5c)	6,945	6,941	6,945	6,941
Franked dividend proposed				
- Final (2002: 7.5c)	-	20,823	-	20,823
Total dividends provided or paid	27,792	47,199	27,792	47,199

Dividends proposed and not recognised as a liability

Final dividend (8c per share) – 100% franked	22,224	-	22,224	-
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The franked portions of the proposed dividends will be franked out of existing franking credits.

The amount of retained profits that could be distributed as dividends and be franked out of existing franking credits and out of franking credits arising from the payment of income tax for the year ending 30 June 2003 after deducting franking credits applicable to proposed dividends:

- Franking account balance as at the end of the financial year stated at 30% (2002: 30%)	19,987	15,579
- Franking credits that will arise from the payment of the income tax payable after the end of the financial year	14,550	11,977
- Franking debits that will arise from the payment of dividends after the end of the financial year	-	(8,924)

The amount of franking credits, at 30% which represent dividends able to be franked and available for the subsequent financial year (2002: 30%)

34,537	18,632
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The tax rate at which dividends paid have been franked is 30% (2002: 30%).

The final dividend proposed will be franked at 30% when paid in October 2003.

As of 1 July 2002, the new imputation system requires a company's franking credits to be expressed on a tax-paid basis. The franking account surplus existing at 30 June 2002 has been restated to a tax paid amount by multiplying the class C franking surplus by 30/70.

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
6. CASH ASSETS					
Cash at bank and on hand		41,889	44,406	-	-
Deposits at call		46,616	22,411	-	-
		88,505	66,817	-	-
7. RECEIVABLES (CURRENT)					
Trade debtors		85,851	82,079	-	-
Provision for doubtful debts		(3,908)	(3,420)	-	-
		81,943	78,659	-	-
Other debtors		1,539	2,086	-	-
Unsecured other loans					
- Employee share plan		495	564	495	564
		83,977	81,309	495	564
<i>Included in unsecured other loans - employee share plan, are loans to Directors (refer note 26).</i>					
Movement in provision for doubtful debts					
Balance at beginning of the year		3,420	3,740	-	-
- Effect of exchange rate changes on opening balance		(29)	25	-	-
- Bad debts previously provided for written-off during the year		(351)	(735)	-	-
- Bad and doubtful debts provided for during the year		868	390	-	-
Balance at the end of the year		3,908	3,420	-	-
8. INVENTORIES					
Raw materials - at cost		26,793	25,774	-	-
Provision for diminution in value		(3,832)	(1,736)	-	-
		22,961	24,038	-	-
Finished goods - at cost		91,093	82,939	-	-
Provision for diminution in value		(9,357)	(5,753)	-	-
		81,736	77,186	-	-
Work in progress - at cost		12,941	13,084	-	-
Total inventories at lower of cost and net realisable value		117,638	114,308	-	-
Movement in Provisions					
Inventory Provisions					
Opening balance		7,489	7,841	-	-
Additional provisions		8,766	2,584	-	-
Stock written off against provision		(3,066)	(2,936)	-	-
Closing balance		13,189	7,489	-	-



	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
9. RECEIVABLES (NON-CURRENT)					
Amount owing by controlled entities		-	-	396,730	366,691
Unsecured other loans					
- Employee share plan		3,811	4,439	3,811	4,439
- Other		556	1,334	-	-
		4,367	5,773	400,541	371,130

Included in unsecured other loans - employee share plan, are loans to Directors of controlled entities (refer note 26).

10. INVESTMENTS

Unlisted investments					
Shares in controlled entities - at cost (refer note 27)		-	-	325,646	325,646
		-	-	325,646	325,646

11. PROPERTY, PLANT AND EQUIPMENT

Freehold land at cost		29,119	29,124	-	-
Freehold buildings at cost		41,471	41,595	-	-
Less accumulated depreciation		(7,675)	(6,675)	-	-
		33,796	34,920	-	-
Plant and equipment at cost		225,461	222,337	-	-
Less accumulated depreciation		(131,158)	(123,675)	-	-
		94,303	98,662	-	-
Motor vehicles at cost		13,999	14,247	-	-
Less accumulated depreciation		(5,065)	(4,779)	-	-
		8,934	9,468	-	-
Total Written Down Amount		166,152	172,174	-	-

Recent Valuations

Land and buildings are progressively, and independently assessed over a three-year period. As at 30 June 2003 the Directors have received independent valuations on land and buildings which have not been valued within the last three years. The most recent valuations for all land and buildings are as follows (note valuations have not been recognised):

- Freehold Land		47,550	43,000	-	-
- Buildings		37,220	37,000	-	-

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
11. PROPERTY, PLANT AND EQUIPMENT (Continued)					
Reconciliations					
<i>Freehold land</i>					
Carrying amount at beginning		29,124	29,116	-	-
Additions		-	-	-	-
Disposals		-	-	-	-
Depreciation		-	-	-	-
Net foreign currency movements arising from self-sustaining foreign operation		(5)	8	-	-
		29,119	29,124	-	-
<i>Freehold buildings</i>					
Carrying amount at beginning		34,920	35,516	-	-
Additions/Improvements		75	451	-	-
Disposals		-	-	-	-
Depreciation		(1,137)	(1,137)	-	-
Net foreign currency movements arising from self-sustaining foreign operation		(62)	90	-	-
		33,796	34,920	-	-
<i>Plant and Equipment</i>					
Carrying amount at beginning		98,662	95,140	-	-
Additions		20,437	28,157	-	-
Disposals		(1,304)	(885)	-	-
Depreciation		(23,255)	(24,021)	-	-
Net foreign currency movements arising from self-sustaining foreign operation		(237)	271	-	-
		94,303	98,662	-	-
<i>Motor Vehicles</i>					
Carrying amount at beginning		9,468	9,519	-	-
Additions		3,880	4,368	-	-
Disposals		(1,664)	(1,731)	-	-
Depreciation		(2,742)	(2,723)	-	-
Net foreign currency movements arising from self-sustaining foreign operation		(8)	35	-	-
		8,934	9,468	-	-
Total Written Down Amount		166,152	172,174	-	-



12. BRAND NAMES AND OTHER INTELLECTUAL PROPERTY

As at 30 June 2003 Brand Names and Other Intellectual Property of \$356.2 million (2002: \$357.3 million) are being carried at cost (2002: at cost). PricewaterhouseCoopers Securities Limited provided GWA International Limited with an opinion dated 26 August 2003, in their opinion, the fair market value of the Brand Names and other Intellectual Property was not less than its carrying value of \$356.2 million as at 30 June 2003 (2002: \$357.3 million) and the directors would be justified in continuing to carry it at that amount.

The Directors are of the opinion that no events have occurred that would diminish the above carrying value.

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000

13. GOODWILL

Goodwill		8,975	10,587	-	-
Accumulated amortisation		(7,200)	(7,912)	-	-
		1,775	2,675	-	-

14. PAYABLES

Trade creditors		59,516	55,582	-	-
Other creditors		7,856	3,174	-	-
		67,372	58,756	-	-

15. INTEREST BEARING LIABILITIES (CURRENT)

Unsecured bank overdraft		-	-	28	12
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16. PROVISIONS (CURRENT)

Dividends		-	20,823	-	20,823
Employee benefits and on costs		18,632	16,391	-	-
Warranty		4,633	4,369	-	-
Insurances (including Workers Compensation)		2,993	1,848	-	-
Other		7,477	6,344	-	-
		33,735	49,775	-	20,823

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
17. NON-CURRENT LIABILITIES					
Interest bearing liabilities					
Unsecured					
Bank loans		296,183	296,252	-	-
Loans from controlled entities		-	-	11,750	11,750
Total Interest Bearing Liabilities		296,183	296,252	11,750	11,750
Non interest bearing liabilities					
Unsecured loans from controlled entities		-	-	367,663	318,980
Total Non Interest Bearing Liabilities		-	-	367,663	318,980
Financing Arrangements					
GWA International Limited, GWA Finance Pty Limited, a wholly owned controlled entity of GWA International Limited and each other controlled entity of GWA International Limited have entered into a Master Financing Agreement with a number of banks.					
This document provides for the following:					
(1) GWA Finance Pty Limited and certain other operating controlled entities to borrow and enter into certain risk and hedging facilities;					
(2) Individual banks to provide facilities direct to GWA Finance Pty Limited and certain other operating controlled entities of GWA International Limited by joining the Master Financing Agreement and being bound by the common covenants and conditions contained therein.					
Unrestricted access was available at balance date to the following lines of credit:					
Total facilities					
Bank overdrafts		6,000	8,926	-	-
Other bank facilities		312,542	353,148	-	-
		318,542	362,074	-	-
Used at balance date					
Bank overdrafts		-	-	-	-
Other bank facilities		296,183	317,412	-	-
		296,183	317,412	-	-
Unused at balance date					
Bank overdrafts		6,000	8,926	-	-
Other bank facilities		16,359	35,736	-	-
		22,359	44,662	-	-



	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
18. PROVISIONS (NON-CURRENT)					
Employee benefits and on costs		10,446	9,322	-	-
Warranty		2,424	2,354	-	-
Other		2,362	2,456	-	-
		15,232	14,132	-	-
Total Employee benefits and on costs		29,078	25,713	-	-
<i>Movement in total provisions (Current and Non-current)</i>					
(i) Employee benefits and on costs					
Opening Balance		25,713	23,432	-	-
Additional provisions		15,547	13,796	-	-
Provisions utilised		(12,182)	(11,515)	-	-
Closing Balance		29,078	25,713	-	-
(ii) Warranty					
Opening Balance		6,723	6,940	-	-
Additional provisions		3,586	2,955	-	-
Provisions utilised		(3,252)	(3,172)	-	-
Closing Balance		7,057	6,723	-	-
(iii) Insurances (including Workers Compensation)					
Opening Balance		1,848	609	-	-
Additional provisions		2,885	2,846	-	-
Provisions utilised		(1,740)	(1,607)	-	-
Closing Balance		2,993	1,848	-	-
(iv) Other:					
Opening Balance		8,800	6,129	-	-
Additional provisions		4,926	6,762	-	-
Provisions utilised		(3,887)	(4,091)	-	-
Closing Balance		9,839	8,800	-	-

	Consolidated		Chief Entity	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000

19. CONTRIBUTED EQUITY

(a) Issued and fully paid up capital

277,802,995 (2002: 277,642,995) ordinary shares fully paid	345,493	345,124	345,493	345,124
	2003 Number	2003 \$'000	2002 Number	2002 \$'000
<i>Movements in issued paid up capital</i>				
Ordinary shares				
Balance at 1 July 2002	277,642,995	345,124	277,247,995	344,263
Issue of shares to employees at \$2.31 per share (2002: \$2.18)	160,000	369	395,000	861
Balance at 30 June 2003	277,802,995	345,493	277,642,995	345,124

Terms and Conditions of Contributed Equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(b) Dividend Reinvestment Plan and Share Purchase Plan

Suspended

On the 8 February 2000 the Directors suspended the Dividend Reinvestment Plan and the Share Purchase Plan.

(c) Employee Share Plan

The employee share plan was established to assist in the retention and motivation of employees. All permanent employees of the Company, who are invited to participate, may participate in the Plan.

The maximum number of shares subject to the plan at any time may not exceed 5% of the nominal amount of all Ordinary Shares on issue. The Plan does not provide for the issue of options and no options have been issued by the company.

The prices of shares issued under the Plan are the market price at the time of issue, which are repaid through dividends, or in full upon an employee ceasing employment with the company. During the 2002/03 year, 160,000 (2002: 395,000) ordinary shares were issued at a price of \$2.31 (2002: \$2.18), a total market value of \$369,600 (2002: \$861,100).

As at 30 June 2003, loans are issued for 3,300,000 (2002: 3,762,500) shares and the remaining balances of these loans were \$4,305,865 (2002: \$5,003,090).

During the 2002/03 year, dividends of \$607,187 (2002: \$622,212) were paid against the loans and a further \$459,637 (2002: \$40,273) were paid by employees against these loans.

There are no entitlements to further issues at balance date.

(d) Options

No options have been issued at any time.



	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
20. RESERVES AND RETAINED PROFITS					
(a) Foreign Currency Translation Reserve					
<i>(i) Nature and purpose of reserve</i>					
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations					
<i>(ii) Movements in reserve</i>					
Balance at beginning of year		1,532	25	-	-
Net exchange gain/(loss) on translation of foreign controlled entities		(1,646)	1,507	-	-
Balance at end of year		(114)	1,532	-	-
(b) Retained Profits					
Balance at beginning of year		41,193	41,770	256	548
Net Profit attributable to members		55,007	46,650	28,907	46,935
Adjustment arising from adoption of revised accounting standard AASB1044 "Provisions, Contingent Liabilities and Contingent Assets"		20,823	-	20,823	-
Total available for appropriation		117,023	88,420	49,986	47,483
Dividends provided for or paid		(48,615)	(47,227)	(48,615)	(47,227)
Balance at end of year		68,408	41,193	1,371	256

	Notes	Consolidated		Chief Entity	
		2003 \$	2002 \$	2003 \$	2002 \$

21. REMUNERATION OF EXECUTIVES

Remuneration received or due and receivable by Executive Officers of the consolidated entity whose remuneration is \$100,000 or more from entities in the consolidated entity or a related party, in connection with the management of the affairs of the entities in the consolidated entity whether as an Executive Officer or otherwise:

17,228,813 12,335,405

Remuneration received or due and receivable by Executive Officers of the Company whose remuneration is \$100,000 or more, from the Company or any related party, in connection with the management of the affairs of the Company or any related party, whether as an Executive Officer or otherwise:

7,686,361 5,346,750

21. REMUNERATION OF EXECUTIVES (Continued)

The number of Executive Officers (including the Executive Director of the economic entity and the Company) whose remuneration falls within the following bands:

	\$'000	\$'000	Economic Entity		Chief Entity	
			2003	2002	2003	2002
110 - 120			2	-	-	-
120 - 130			1	5	1	-
130 - 140			2	3	-	-
140 - 150			2	1	-	-
150 - 160			5	1	-	-
160 - 170			1	3	-	-
170 - 180			4	3	-	1
180 - 190			2	8	-	1
190 - 200			6	3	-	-
200 - 210			3	-	-	-
210 - 220			1	1	-	-
220 - 230			2	2	-	-
230 - 240			3	2	-	-
240 - 250			2	-	-	-
250 - 260			1	1	-	-
260 - 270			1	1	-	-
270 - 280			2	-	-	-
290 - 300			1	1	-	-
300 - 310			-	1	-	1
310 - 320			-	3	-	2
320 - 330			2	2	-	1
330 - 340			1	-	1	-
340 - 350			2	-	1	-
350 - 360			1	-	1	-
360 - 370			-	1	-	-
370 - 380			1	2	-	2
390 - 400			1	-	-	-
400 - 410			1	-	1	-
410 - 420			-	1	-	1
430 - 440			-	1	-	1
440 - 450			1	-	1	-
450 - 460			-	1	-	1
460 - 470			1	-	1	-
470 - 480			1	-	1	-
490 - 500			1	-	1	-
500 - 510			1	1	1	1
640 - 650			1	-	1	-
1,160 - 1,170			-	1	-	1
3,080 - 3,090			1	-	1	-



Notes	Consolidated		Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
22. REMUNERATION OF AUDITORS				
Amounts received or due and receivable by the auditors of GWA International Limited for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated entity	258,100	199,000	8,400	10,000
- other services in relation to the entity and any other entity in the consolidated entity				
Tax advisory and compliance	68,420	104,310	-	-
Acquisition due diligence services	66,000	12,650	-	-
Superannuation advice and assistance	11,500	211,135	-	-
Other	28,150	25,800	-	-
	432,170	552,895	8,400	10,000
Amounts received or due and receivable by auditors other than the auditors of GWA International Limited for:				
- an audit or review of the financial report of subsidiary entities	90,424	73,860	-	-
	522,594	626,755	8,400	10,000
Notes	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000

23. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities, classified in accordance with the party from whom the liability could arise and for which no provisions are included in the accounts, are as follows:

Bank guarantees	618	404	-	-
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Cross guarantee by GWA International Limited as described in Note 28. All these companies have assets in excess of liabilities.

A claim for damages, arising from alleged breach of contract and related matters, against Sebel Furniture Limited, was litigated in the Federal Court in April/June 2002. In a decision handed down on 12 March 2003 this claim was dismissed. The decision was not appealed and Sebel's recovery of costs of \$604,000 has been brought to account in the 2002/03 financial statements.

The previous freight carrier for Dux has lodged an action in the Industrial Relations Commission of NSW with claims totalling \$3.6M. Dux is defending the claim. No provision has been made in the financial report for the claimed compensation.

	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
24. COMMITMENTS FOR EXPENDITURE					
(a) Capital expenditure commitments					
Total capital expenditure contracted for at balance date but not provided for in the accounts payable:					
Not later than one year		3,886	4,240	-	-
(b) Lease expenditure commitments					
Operating lease (non-cancelable) expenditure contracted for at balance date:					
Not later than one year		6,830	6,174	-	-
Later than one year but not later than 5 years		15,382	8,751	-	-
Later than 5 years		1,080	1,069	-	-
Aggregate lease expenditure contracted for at balance date		23,292	15,994	-	-

Aggregate expenditure commitments comprise:

Amounts not provided for:

- rental commitments		23,292	15,994	-	-
Total not provided for		23,292	15,994	-	-
Aggregate lease expenditure contracted for at balance date		23,292	15,994	-	-

25. SUPERANNUATION COMMITMENTS

GWA International Limited has been the sponsor, and principal employer, of the members of the two superannuation funds, GWAIL Group Retirement Fund and GWAIL Superannuation Fund.

During the previous year GWA International Limited reviewed its superannuation arrangements and resolved to terminate its role as sponsor and principal employer of the two Funds.

GWAIL Group Retirement Fund

The Defined Benefits categories of the GWAIL Group Retirement Fund were discontinued effective 30 June 2002. Members have transferred their benefits to other superannuation funds including ING Corporate Super Master Trust.

As at 30 June 2003 all members had transferred from the fund. The total remaining assets are \$121,494.00. These assets are held in cash. This is expected to be sufficient to meet the remaining liabilities of contributions surcharge and administration costs.



26. RELATED PARTIES

Directors

The names of persons who were directors of GWA International Limited at any time during the financial year are as follows:

B Thornton
 J J Kennedy
 G J McGrath (Retired 6th May 2003)
 D R Barry
 R M Anderson
 M D Kriewaldt
 P C Crowley (Appointed Managing Director 6th May 2003)

	Directors of Entities in the Economic Entity		Directors of the Chief Entity	
	2003 \$	2002 \$	2003 \$	2002 \$

Remuneration of Directors

Income paid or payable, or otherwise made available, in respect of the financial year to all Directors of each entity in the consolidated entity, directly or indirectly, by entities of which they are Directors or any related party:

4,075,745	1,765,824	-	-
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Income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of GWA International Limited, directly or indirectly, from the entity or any related party:

-	-	4,075,745	1,765,824
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The number of Directors of GWA International Limited whose income (including superannuation contributions) falls within the following bands is:

\$'000	\$'000	Directors of the Chief Entity	
		2003	2002
50	- 60	-	2
60	- 70	2	1
70	- 80	1	-
80	- 90	-	1
90	- 100	1	-
160	170	-	1
180	- 190	1	1
500	- 510	1	-
1,160	- 1,170	-	1
3,080	- 3,090	1	-

	Notes	Consolidated		Chief Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
26. RELATED PARTIES (Continued)					
Loans to Directors					
Loan repayments received:					
Employee Share Plan					
	G.J. McGrath	25,594	24,131	25,594	24,131
	K.G. Schroder	32,375	30,525	-	-
	Aggregate loans given during year	-	-	-	-
Loan balances:					
Unsecured loans					
	Directors of chief entity	242,368	267,962	242,368	267,962
	Directors of controlled entities	107,025	139,400	-	-
		<u>349,393</u>	<u>407,362</u>	<u>242,368</u>	<u>267,962</u>
	Interest revenue on loans	-	-	-	-

The Employee Share Plan loans are interest free and repayable over 15 years or earlier in certain circumstances. Dividends paid on the shares acquired under the Plan are applied against the balance of the loan outstanding. An appropriate holding lock applies to the shares issued under the Plan until the loan has been repaid in full.

There are no other unsecured Directors Loans outstanding at balance date.

Loans to Directors are included in the loans disclosed in Notes 7 and 9.

Transactions of Directors and Director Related Entities concerning Shares

Aggregate numbers of shares of GWA International Limited transacted by Directors of the consolidated entity or their Director related entities from the Company were as follows:

	2003	2002
Acquired:		
Ordinary shares	0	0
Disposed:		
Ordinary shares	(45,000)	(500,000)
Director retired	(754,275)	(10,000)
Director related entities:		
Ordinary shares – Acquired control or significant influence over the entity	1,108,000	195,000
Ordinary shares – Released control or significant influence over the entity	(404,000)	(51,000)

The Dividend Re-Investment and Share Purchase Plan have been suspended.

Aggregate number of shares of GWA International Limited held directly, indirectly or beneficially by Directors or their related entities at balance date:

	2003	2002
Ordinary shares	46,705,306	46,800,581



26. RELATED PARTIES (Continued)

Transactions with Directors & Director Related Entities

Mr B Thornton is a director of Great Western Corporation Pty Ltd. Certain entities in the economic entity have purchased and sold components and tooling from and to Great Western Corporation Pty Ltd on normal commercial terms and conditions during the year for a net purchase consideration of \$485,197 (2002: \$425,600). At reporting date \$99,471 (2002: \$64,790) formed part of trade creditors.

An entity in the economic entity has sold products to Directors & Director related entities on normal commercial terms and conditions during the year, these transactions were domestic in nature.

Transactions Concerning Wholly Owned Group

The wholly owned Group consists of GWA International Limited and its wholly owned controlled entities, such ownership interests being set out in Note 27.

Transactions between GWA International Limited and wholly owned controlled entities during the year ended 30 June 2003 consisted of:

- (1) loans advanced by and to GWA International Limited;
- (2) loans repaid to and by GWA International Limited;
- (3) the payment of dividends to GWA International Limited; and
- (4) the payment of interest by GWA International Limited.

The above transactions included an interest charge at commercial rates with no fixed repayment terms for certain intercompany loans.

Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with wholly owned controlled entities were as follows:

	Chief Entity	
	2003	2002
	\$'000	\$'000
Dividend revenue	28,100	46,150
Trust revenue	1,874	1,834
Interest expense	684	673

Aggregate amounts receivable from and payable to wholly owned controlled entities at balance date were as follows:

	2003	2002
	\$'000	\$'000
Non-current receivables	396,730	366,691
Non-current borrowings	379,413	330,730

Controlling entities

The ultimate controlling entity and the ultimate Australian controlling entity in the wholly owned group is GWA International Limited.

Ownership Interests in Related Parties

Interests held in controlled entities are set out in Note 27.

27. INVESTMENT IN CONTROLLED ENTITIES

(a) Name of Entity		Country of Incorporation	Class of Shares	2003 %	2002 %	Parties to Cross Guarantee
<i>Chief Entity</i>						
GWA International Limited		Aust	Ord			Y
<i>Controlled Entities</i>						
GWA Group Limited	(ii)	Aust	Ord	100	100	Y
Gainsborough Hardware Industries Limited	(ii)	Aust	Ord	100	100	Y
Gainsborough Hardware Limited	(iii)	UK	Ord	100	100	N
Caroma Holdings Limited	(ii)	Aust	Ord	100	100	Y
GWA (North America) Pty Ltd	(ii)	Aust	Ord	100	100	Y
Sebel Furniture Inc	(iii)	USA	Ord	100	100	N
Caroma Industries Limited	(ii)	Aust	Ord	100	100	Y
G Subs Pty Ltd	(ii)	Aust	Ord	100	100	Y
Sebel Furniture (Hong Kong) Ltd	(i)	HK	Ord	100	100	N
GWA International (Hong Kong) Limited	(i)	HK	Ord	100	100	N
Stylus Pty Ltd	(ii)	Aust	Ord	100	100	Y
Stylus Industries Pty Limited	(ii)	Aust	Ord	100	100	Y
Fowler Manufacturing Pty Ltd	(ii)	Aust	Ord	100	100	Y
Starion Tapware Pty Ltd	(ii)	Aust	Ord	100	100	Y
Dorf Clark Industries Ltd	(ii)	Aust	Ord	100	100	Y
Dorf Industries (NZ) Ltd		NZ	Ord	100	100	N
McIlwraith Davey Pty Ltd	(ii)	Aust	Ord	100	100	Y
Stylus Sales Limited		NZ	Ord	100	100	N
Caroma Industries Europe BV	(i)	Netherlands	Ord	100	100	N
Wisa Beheer BV	(i)	Netherlands	Ord	100	100	N
Wisa BV	(i)	Netherlands	Ord	100	100	N
Wisa Systems BV	(i)	Netherlands	Ord	100	100	N
Wisa GmbH	(i)	Germany	Ord	100	100	N
Stokis Kon Fav. Van Metaalwerken NV	(i)	Netherlands	Ord	100	100	N
Wisa France SA	(i)	France	Ord	100	100	N
Caroma International Pty Ltd	(ii)	Aust	Ord	100	100	Y
Caroma USA Inc	(iii)	USA	Ord	100	100	N
Caroma Canada Industries Ltd	(iii)	Canada	Ord	100	100	N
Caroma Industries (UK) Ltd	(i)	UK	Ord	100	100	N
Canereb Pty Ltd	(iv)	Aust	Ord	100	100	N
Dux Manufacturing Limited	(ii)	Aust	Ord	100	100	Y
GWA Taps Manufacturing Limited	(ii)	Aust	Ord	100	100	Y
Lake Nakara Pty Ltd	(iv)	Aust	Ord	100	100	N
Mainrule Pty Ltd	(iv)	Aust	Ord	100	100	N
Warapave Pty Ltd	(iv)	Aust	Ord	100	100	N
Rover Mowers (NZ) Limited		NZ	Ord	100	100	N
Caroma Industries (NZ) Limited		NZ	Ord	100	100	N
GWAIL (NZ) Ltd		NZ	Ord	100	100	N
Rover Mowers Limited	(ii)	Aust	Ord	100	100	Y
Industrial Mowers (Australia) Limited	(ii)	Aust	Ord	100	100	Y
Olliveri Pty Ltd	(ii)	Aust	Ord	100	100	Y
Sebel Service & Installations Pty Ltd	(ii)	Aust	Ord	100	100	Y
Sebel Properties Pty Ltd	(ii)	Aust	Ord	100	100	Y
Sebel Furniture Limited (NZ)		NZ	Ord	100	100	N
Sebel Furniture Limited	(ii)	Aust	Ord	100	100	Y
Sebel Furniture (SEA) Pte Ltd	(i)	Sing	Ord	100	100	N
Sebel Sales Pty Limited	(ii)	Aust	Ord	100	100	Y
Caroma Singapore Pte Limited	(i)	Sing	Ord	100	100	N
GWA Finance Pty Limited	(ii)	Aust	Ord	100	100	Y
Hetset (No. 5) Pty Ltd	(ii)	Aust	Ord	100	100	Y
Bankstown Unit Trust		Aust	Units	100	100	Y



27. INVESTMENT IN CONTROLLED ENTITIES (Continued)

All controlled entities are controlled by GWA International Limited.

- (i) Controlled entities which are audited by other member firms of Ernst & Young International.
- (ii) Pursuant to Class Order 98/1418, relief has been granted to these controlled entities of GWA International Limited from the Corporations Act 2001 requirements for preparation, audit and publication of a financial report.
- (iii) There is no requirement to prepare a financial report for these overseas companies and accordingly separate audits were not performed.
- (iv) In accordance with the Corporations Act 2001 the Directors have elected not to prepare or have audited a financial report for the controlled entity as the entity meets the definition of a small proprietary company.

(b) Controlled Entities

GW Nominees Pty Ltd and GWAIL ESF Nominees Pty Ltd which are the trustee companies of the GWA International Limited Group Retirement Fund and the GWA International Limited Superannuation Fund respectively, are wholly owned by a controlled entity of GWA International Limited. As superannuation trustees, these entities are not controlled entities for the purpose of accounting standard AASB 1024 "Consolidated Accounts" and are therefore not consolidated with the group of companies comprising GWA International Limited and its controlled entities.

28. DEED OF CROSS GUARANTEE

GWA International Limited, and specific controlled entities (as set out in Note 27) having their place of incorporation in Australia, are parties to a deed of cross guarantee which has been lodged with and approved by the Australian Securities and Investments Commission. Under the deed of cross guarantee each of the parties to the deed guarantees the debts of the other.

Pursuant to Class Order 98/1418, relief has been granted to the companies in the closed group from the Corporations Act 2001 requirements for preparation, audit and lodgement of their financial reports.

The consolidated statement of financial performance and statement of financial position of the entities which are parties to the Deed of Cross Guarantee (Closed Group) are as follows:

	2003 \$'000	2002 \$'000
Consolidated Statement of Financial Performance		
Profit from ordinary activities before income tax	79,733	62,687
Income tax attributable to ordinary activities	(23,070)	(18,456)
Profit from ordinary activities after income tax	56,663	44,231
Retained profits at the beginning of the financial year	27,180	30,176
Adjustment arising from the adoption of revised accounting standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	20,823	
Total available for appropriation	104,666	74,407
Dividends provided for or paid	(48,615)	(47,227)
Retained profits at the end of the financial year	56,051	27,180

	2003 \$'000	2002 \$'000
28. DEED OF CROSS GUARANTEE (Continued)		
Consolidated Statement of Financial Position		
Current assets		
Cash assets	77,086	58,434
Receivables	75,786	73,931
Inventories	109,074	104,180
Other	2,719	4,431
Total current assets	264,665	240,976
Non-current assets		
Receivables	4,367	5,773
Investments	16,280	16,280
Property, plant and equipment	135,462	140,539
Intercompanies	47,720	46,040
Brand names and other intellectual property	331,685	331,685
Goodwill	1,775	2,675
Deferred tax assets	20,919	16,499
Total non-current assets	558,208	559,491
Total assets	822,873	800,467
Current liabilities		
Payables	64,283	55,200
Current tax liabilities	14,321	11,438
Provisions	31,225	48,942
Total current liabilities	109,829	115,580
Non-current liabilities		
Interest bearing liabilities	296,183	296,252
Deferred tax liability	1,028	1,402
Provisions	15,230	14,130
Intercompanies	-	1,723
Total non-current liabilities	312,441	313,507
Total liabilities	422,270	429,087
Net assets	400,603	371,380
Equity		
Contributed Equity	345,493	345,124
Reserves	(941)	(924)
Retained profits	56,051	27,180
Total equity	400,603	371,380



29. SEGMENT REPORTING

(a) Primary Reporting – Business Segments

	Building Fixtures and Fittings	Commercial Furniture	Unallocated	Intersegment Eliminations	Total Consolidated
	2003 \$'000	2003 \$'000	2003 \$'000	2003 \$'000	2003 \$'000
Revenue					
External Sales	546,614	70,146	42,829	-	659,589
Intersegment Sales	-	2,255	-	(2,255)	-
Total Sales Revenue	546,614	72,401	42,829	(2,255)	659,589
Other Revenue	3,102	1,026	2,808	-	6,936
Total Segment Revenue	549,716	73,427	45,637	(2,255)	666,525
Segment Result	95,801	6,246	(23,471)	-	78,576
Income Tax Expense					(23,569)
Net Profit					55,007
Total Assets	645,877	56,927	140,811	-	843,615
Total Liabilities	90,037	7,113	332,678	-	429,828
Other segment information:					
Acquisition of property, plant and equipment, intangible assets and other non-current assets	19,454	3,942	996	-	24,392
Depreciation and Amortisation Expenses	22,962	3,344	1,728	-	28,034
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-
	2002 \$'000	2002 \$'000	2002 \$'000	2002 \$'000	2002 \$'000
Revenue					
External Sales	497,736	62,943	48,856	-	609,535
Intersegment Sales	-	1,655	-	(1,655)	-
Total Sales Revenue	497,736	64,598	48,856	(1,655)	609,535
Other Revenue	3,645	979	1,684	-	6,308
Total Segment Revenue	501,381	65,577	50,540	(1,655)	615,843
Segment Result	86,889	5,127	(25,371)	-	66,645
Income Tax Expense					(19,995)
Net Profit					46,650
Total Assets	647,935	57,864	115,945	-	821,744
Total Liabilities	72,998	10,278	350,619	-	433,895
Other segment information:					
Acquisition of property, plant and equipment, intangible assets and other non-current assets	27,052	4,249	1,675	-	32,976
Depreciation and Amortisation Expense	23,707	3,368	1,737	-	28,812
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-

29. SEGMENT REPORTING (Continued)

Notes to and forming part of Segment Reporting:

(i) The above industry segments derive revenue from sales of the following products:

Building Fixtures & Fittings

Sanitaryware
 Building Hardware Products
 Baths, Shower Screens & Spas
 Household Accessories, Sinks & Tapware
 Hot Water Products

Commercial Furniture

Education products
 Hospitality products
 Stadia seating

Unallocated

Domestic & Ride-on Mowers
 Corporate Administration & Treasury

(ii) Intersegment pricing is on an arms length basis

(b) Secondary Reporting – Geographical Segments

	Australia 2003 \$'000	Unallocated 2003 \$'000	Total Consolidated 2003 \$'000
Segment revenue from sales to external customers	568,560	91,029	659,589
Other Revenue	5,339	1,597	6,936
Segment Assets	782,157	61,458	843,615
Acquisition of Property Plant & Equipment, Intangibles & Other Non Current Segment Assets	23,017	1,375	24,392
	2002 \$'000	2002 \$'000	2002 \$'000
Segment revenue from sales to external customers	519,920	89,615	609,535
Other Revenue	4,216	2,092	6,308
Segment Assets	760,200	61,544	821,744
Acquisition of Property Plant & Equipment, Intangibles & Other Non Current Segment Assets	31,277	1,699	32,976



	Notes	Consolidated		Chief Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
30. RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES					
Profit from ordinary activities after income tax		55,007	46,650	28,907	46,935
Depreciation and amortisation		28,034	28,812	-	-
Net (profit)/loss on sale of non-current assets		1,059	142	-	-
Net exchange differences		177	230	-	-
Provisions		5,883	5,911	-	-
(Increase)/decrease in assets					
(Increase)/decrease in inventories		(3,330)	4,419	-	-
(Increase)/decrease in trade debtors		(3,284)	(3,663)	-	-
(Increase)/decrease in future income tax benefit		(5,314)	(1,863)	-	-
(Increase)/decrease in other assets		2,233	(2,428)	-	-
Increase/(decrease) in liabilities					
Increase/(decrease) in accounts payable and bills payable		8,616	1,471	-	-
Increase/(decrease) in provision for income tax payable		2,679	7,694	(18)	(8)
Increase/(decrease) in provision for deferred tax		(353)	(329)	-	-
Net cash flow from operating activities		91,407	87,046	28,889	46,927

31. EARNINGS PER SHARE

	Consolidated	
	2003	2002
Basic earnings per share	19.8c	16.8c
Profit used to determine earnings per share	55,007,000	\$46,650,000
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	277,778,009	277,637,584

The company has only ordinary shares on issue and there is no other class of securities that could dilute earnings per share.

32. EVENTS OCCURRING AFTER BALANCE DATE

On 2nd September 2003 the Directors of GWA International Limited declared a final dividend on ordinary shares in respect of the 2003 financial year. The total amount of the dividend is \$22,224,240 which represents a fully franked dividend of 8.0 cents per share. The dividend has not been provided for in the 30 June 2003 financial statements.

To the best of our knowledge, since balance date, no other matters have arisen which will, or may, significantly affect the operation or results of the economic entity in later years.

33. FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

The economic entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
(i) Financial assets			
Receivables – trade	7	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are predominantly on 30 day terms.
Short-term deposits	6	Short-term deposits are stated at face value. Interest is recognised in the profit and loss when earned.	Short-term deposits have an average maturity of 24 hours and effective interest rates of 4.70% to 4.20% (2002: 4.15% to 4.95%).
(ii) Financial liabilities			
Bank overdrafts	15	The bank overdrafts are carried at the principal amount. Interest is recognised as an expense as it accrues.	Interest is charged at the bank's benchmark rate plus a margin. No security has been given for bank overdrafts.
Bank loans	17	The bank loans are carried at the principal amount. Interest is recognised as an expense as it accrues.	The bank loans have a maximum three year rolling maturity. Interest is charged at the market rate plus a margin. No security has been given for bank loans.
Trade creditors and accruals	14	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.	Trade liabilities are normally settled on 30 day terms.
Dividends payable	5 & 16	Dividends payable are recognised when declared by the Company.	In accordance with the new Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" no dividend has been recognised at 30 June 2003 (2002: 7.5 cents per ordinary share). The extent to which the dividends are franked, details of the franking account balance at the balance date and franking credits available for the subsequent financial year are disclosed in Note 5.
(iii) Equity			
Ordinary shares	19	Ordinary share capital is recognised at the fair value of the consideration received by the Company.	



33. FINANCIAL INSTRUMENTS (Continued)

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions																																													
(iv) Derivatives																																																
Forward exchange contracts		The economic entity enters into forward exchange contracts where it agrees to buy or sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales and purchases in foreign currencies, to protect the company against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are usually for no longer than 12 months. Exchange gains or losses on forward exchange contracts are recognised to the profit and loss except those relating to hedges of specified commitments which are deferred and included in the measurement of the sale or purchase.	At balance date the company had entered into the following forward exchange contracts relating to specified commitments and agreed to: <table border="1"> <thead> <tr> <th>Buy/Sell</th> <th>Foreign Currency Amount</th> <th>Effective Rate</th> </tr> </thead> <tbody> <tr> <td colspan="3">2003</td> </tr> <tr> <td>BUY YEN</td> <td>YEN 31M</td> <td>77.0</td> </tr> <tr> <td>BUY CHF</td> <td>CHF 0.4M</td> <td>0.795</td> </tr> <tr> <td>BUY EURO</td> <td>EURO 0.5M</td> <td>0.5568</td> </tr> <tr> <td>BUY USD</td> <td>USD 4.03M</td> <td>0.6143</td> </tr> <tr> <td>SELL NZD</td> <td>NZD 13.7M</td> <td>1.091</td> </tr> <tr> <td>SELL EURO</td> <td>EURO 0.03M</td> <td>0.577</td> </tr> <tr> <td>SELL USD</td> <td>USD 1.99M</td> <td>0.6167</td> </tr> <tr> <td colspan="3">2002</td> </tr> <tr> <td>BUY CHF</td> <td>CHF 0.06M</td> <td>.8710</td> </tr> <tr> <td>BUY EUR</td> <td>EUR 0.29M</td> <td>.5855</td> </tr> <tr> <td>BUY USD</td> <td>USD 8.41M</td> <td>.5372</td> </tr> <tr> <td>SELL NZD</td> <td>NZD 6.70M</td> <td>1.210</td> </tr> <tr> <td>SELL USD</td> <td>USD 0.75M</td> <td>.5478</td> </tr> </tbody> </table>	Buy/Sell	Foreign Currency Amount	Effective Rate	2003			BUY YEN	YEN 31M	77.0	BUY CHF	CHF 0.4M	0.795	BUY EURO	EURO 0.5M	0.5568	BUY USD	USD 4.03M	0.6143	SELL NZD	NZD 13.7M	1.091	SELL EURO	EURO 0.03M	0.577	SELL USD	USD 1.99M	0.6167	2002			BUY CHF	CHF 0.06M	.8710	BUY EUR	EUR 0.29M	.5855	BUY USD	USD 8.41M	.5372	SELL NZD	NZD 6.70M	1.210	SELL USD	USD 0.75M	.5478
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Interest rate swaps		GWA International Limited enters into interest rate swap agreements that are used to convert the variable interest rate of its short-term borrowing to medium-term fixed interest rates. The swaps are entered into with the objective of reducing the risk of rising interest rates. It is the Company's policy not to recognise interest rate swaps in the financial statements. Net receipts and payments are recognised as an adjustment to interest expense.	At balance date, the company had the following interest rate swap agreements: <table border="1"> <thead> <tr> <th>Swap Term Remaining</th> <th>Notional Amount</th> <th>Effective Rate</th> </tr> </thead> <tbody> <tr> <td colspan="3">2003</td> </tr> <tr> <td>Aug 03</td> <td>A\$ 50M</td> <td>5.31%</td> </tr> <tr> <td>Oct 04</td> <td>A\$100M</td> <td>5.13%</td> </tr> <tr> <td>Mar05 #</td> <td>A\$ 50M</td> <td>5.04%</td> </tr> <tr> <td>May 06 *</td> <td>A\$ 50M</td> <td>4.63%</td> </tr> <tr> <td colspan="3"># Bank has an option for a further 18 months</td> </tr> <tr> <td colspan="3">* Bank has an option for a further 12 months</td> </tr> <tr> <td colspan="3">2002</td> </tr> <tr> <td>Aug 03</td> <td>A\$50M</td> <td>5.31%</td> </tr> <tr> <td>Oct 04</td> <td>A\$100M</td> <td>5.13%</td> </tr> </tbody> </table>	Swap Term Remaining	Notional Amount	Effective Rate	2003			Aug 03	A\$ 50M	5.31%	Oct 04	A\$100M	5.13%	Mar05 #	A\$ 50M	5.04%	May 06 *	A\$ 50M	4.63%	# Bank has an option for a further 18 months			* Bank has an option for a further 12 months			2002			Aug 03	A\$50M	5.31%	Oct 04	A\$100M	5.13%												
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33. FINANCIAL INSTRUMENTS (Continued)

(b) Interest Rate Risk

The economic entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Fixed Financial Instruments Maturing in								Total carrying amount as per Statement of Financial Position	Weighted average effective interest rate				
	Floating Interest rate		1 year or less		Over 1 to 5 years		More than 5 years			Non-interest bearing	2003 \$'000	2002 \$'000	2003 %	2002 %
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000						
Financial assets														
Cash and Deposits at Call	88,505	66,817								88,505	66,817	4.68	4.46	
Trade receivables									85,851	82,079	85,851	N/A	N/A	
Total financial assets	88,505	66,817							85,851	82,079	174,356	N/A	N/A	
Financial liabilities														
Bank loans	296,183	296,252								296,183	296,252	5.02	5.04	
Trade creditors									59,516	55,582	59,516	N/A	N/A	
Dividends payable									-	20,823	-	N/A	N/A	
Interest rate swaps					200,000	150,000						5.14	5.19	
Forward exchange contracts				22,847								N/A	N/A	
Total financial liabilities	296,183	296,252		22,847	200,000	150,000			59,516	76,405	355,699	N/A	N/A	



33. FINANCIAL INSTRUMENTS (Continued)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows:

	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value (i)	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Financial assets				
Cash and Deposits at Call	88,505	66,817	88,505	66,817
Receivables – trade	85,851	82,079	85,851	82,079
Total financial assets	174,356	148,896	174,356	148,896
Financial liabilities				
Bank loans	296,183	296,252	296,183	296,252
Trade creditors	59,516	55,582	59,516	55,582
Dividends payable	-	20,823	-	20,823
Interest rate swaps – (Gain) / Loss	-	N/A	703	(790)
Forward exchange contracts – (Gain) / Loss	-	N/A	(429)	921
Total Financial liabilities	355,699	372,657	355,973	372,788

(i) The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Recognised Financial Instruments

Cash and Deposits at Call: The carrying amount approximates fair value because of their short-term to maturity.

Trade receivables and creditors: The carrying amount approximates fair value.

Dividends payable: The carrying amount approximates fair value.

Long-term borrowings: The carrying amount of long-term borrowings approximate fair value because their incremental borrowing rates were rolled over no later than 5th August 2003. The current rate would be the same as the current incremental rate applicable to the borrowings.

Forward exchange contracts: The carrying amount of forward exchange contracts is determined as the recognised gain or loss at balance date calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Unrecognised Financial Instruments

Interest rate swap agreements: The fair values of interest rate swap contracts is determined as the difference in present value of the future interest cash flows.

(d) Credit Risk Exposures

The economic entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the Statement of Financial Position.

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The economic entity's maximum credit risk exposure in relation to these is as follows:

- (i) forward exchange contracts - the full amount of the foreign currency it will be required to pay or purchase when settling the forward exchange contract, should the counterparty not pay the currency it is committed to deliver to the Company. At balance date the net gain amount was \$429,000 (2002 net loss: \$921,000);
- (ii) interest rate swap contract - which is limited to the net fair value of the swap agreement at balance date, being a net loss of \$703,000 (2002 net gain: \$790,000).

33. FINANCIAL INSTRUMENTS (Continued)

Concentrations of Credit Risk

The entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers within the specified industries. However, the majority of customers are concentrated in Australia. Refer also to Note 29 - Segment Reporting.

Concentrations of credit risk on trade receivables arise in the following industries:

Industry	Maximum credit risk exposure* for each concentration			
	Consolidated			
	Percentage of total trade debtors (%)		\$000	
	2003	2002	2003	2002
Buildings, Fixtures & Fittings	83%	81%	70,744	66,368
Commercial Furniture	9%	12%	7,951	9,682
Unallocated	8%	7%	7,156	6,029
	100%	100%	85,851	82,079

Credit risk in trade receivables is managed in the following ways:

- payment terms are predominantly 30 days;
- a risk assessment process is used for customers over \$50,000; and
- credit insurance is obtained for major customers.

* The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities / parties fail to perform their obligations under the financial instruments in question.

(e) Hedging Instruments

(i) Interest rate swaps

GWA International Limited has entered into interest rate swap contracts to hedge against fluctuations in interest rates on its borrowing facilities.



In accordance with a resolution of the directors of GWA International Limited, we state that:

1. In the opinion of the directors:

- (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with 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 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 28 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.

On behalf of the Board

Handwritten signature of B Thornton in black ink.

B Thornton
Director

Handwritten signature of P C Crowley in black ink.

P C Crowley
Director

Brisbane
2 September 2003

To the members of GWA International Limited

Scope

The financial report and directors responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for GWA International Limited (the company) and the consolidated entity, for the year ended 30 June 2003. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standards in Australia, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgment of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

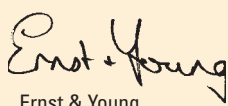
Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Audit opinion

In our opinion, the financial report of GWA International Limited is in accordance with:

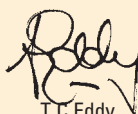
- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of GWA International Limited and the consolidated entity at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young

Brisbane

2 September 2003



T C Eddy

Partner



as at 22 August 2003

Statement of shareholding

In accordance with the Australian Stock Exchange listing rules, the Directors that, as at 22 August 2003, the share capital in the Company was held as follows:

Range	Ordinary Shareholders	Ordinary Shares	%
1 - 1,000	1,472	970,990	0.3
1,001 - 5,000	6,361	19,388,706	7.0
5,001 - 10,000	3,055	22,953,798	8.3
10,001 - 50,000	1,658	30,833,519	11.1
50,001 - 100,000	74	5,223,331	1.9
100,001 and over	128	198,432,651	71.4
Total	12,748	277,802,995	100.0

The number of shareholders with less than a marketable parcel of shares 170.

Voting Rights

The voting rights attaching to the ordinary shares are on a show of hands of every shareholder who is present in person, or by proxy, attorney or representative shall have one vote and on a poll every shareholder who is present in person or by proxy attorney or representative shall have one vote for each share held by him/her.

Substantial Shareholders

The following information is extracted from the Company's register of substantial shareholders as at 22 August 2003:

Shareholder	Number of shares	% of shares on Issue
Commonwealth Bank Group	39,968,736	14.39

Shareholder Information**Annual General Meeting**

The Annual General Meeting of GWA International Limited will be held in The Grand Ballroom, Stamford Plaza Brisbane, Cnr Edward and Margaret Streets Brisbane on Thursday 30 October 2003 commencing at 10:30am. A formal notice of meeting and proxy form are enclosed with this report.

Shareholder enquiries

Shareholders with enquiries about their shareholding or dividend payments should telephone the company's share registry, Computershare Investor Services Pty Ltd, on (07) 3237 2100 or write to GPO Box 523 Brisbane 4001.

Dividends

Dividends are determined by the Board, having regard to the financial circumstances of the company.

The final dividend of 8 cents per share will be paid on 1 October 2003. The dividend will be 100% franked for Australian tax purposes at the corporate tax rate of 30%.

20 Largest shareholders as at 22 August 2003

Shareholder	Number of fully paid ordinary shares	% fully paid ordinary shares on issue
HGT Investments Pty Ltd	13,598,152	4.89
Citicorp Nominees Pty Limited (CFS WSLE Imputation Fund A/C)	11,068,495	3.98
Erand Pty Ltd	9,898,229	3.56
KFA Investments Pty Ltd	9,863,817	3.55
CJZ Investments Pty Ltd	9,700,651	3.49
Citicorp Nominees Pty Limited (CFS WSLE Aust Share Fund A/C)	8,612,110	3.10
JMB Investments Pty Ltd	8,254,585	2.97
Ashberg Pty Ltd	8,198,000	2.95
RBC Global Services Australia (Pipooled A/C)	7,851,568	2.83
Theme (No 3) Pty Ltd	7,139,080	2.57
National Nominees Limited	6,664,777	2.40
Australian Foundation Investment Company Ltd (Investment Portfolio A/C)	6,612,136	2.38
Citicorp Nominees Pty Limited (CFS Imputation Fund A/C)	6,417,173	2.31
Citicorp Nominees Pty Limited (CFS WSLE Industrial Share A/C)	6,135,719	2.21
RBC Global Services Australia Nominees Pty Limited (Bkcust A/C)	5,472,319	1.97
ITA Investments Pty Ltd	5,152,338	1.85
Mr Stanley Gordon Sharp and Mrs Evelyn Vacy Sharp	4,498,533	1.62
Commonwealth Custodial Services Limited	4,438,771	1.60
Mr Michael John McFadyen (Michael McFadyen A/C)	3,826,895	1.38
J P Morgan Nominees Australia Limited	3,580,351	1.29
Total	146,983,699	52.90



Direct credit of dividends into bank accounts

Dividends may be paid directly to a bank, building society or credit union account in Australia.

Payments are electronically credited on the dividend payment date and confirmed by mail payment advice.

We encourage shareholders to avail themselves of this service. Direct credit application forms can be obtained from the company's share registry.

Tax file number information

The company is obliged to record tax file number or exemption details provided by shareholders.

Change of address

Shareholders who have changed their address should immediately notify the company's share registry in writing.

Consolidation of shareholdings

Shareholders who wish to consolidate their separate shareholdings into one holding should notify the company's share registry in writing.

Dividend Reinvestment Plan and Share Purchase Plan

Both Plans were suspended on 8 February 2000. Past support from shareholders has provided sufficient funds to meet the growth needs of the company. Directors keep this position under review.

Stock Exchange listing

The Company's shares are listed on the Australian Stock Exchange.

Recent dividends

Date Paid	Type	Cents per share	Franking %	Corporate Tax Rate %
1 April 2000	Interim	6.5	100	36
1 April 2000	Special	5.0	100	36
2 October 2000	Final	6.5	100	34
1 April 2001	Interim	6.5	100	34
1 April 2001	Special	2.5	100	34
1 October 2001	Final	7.0	100	30
1 April 2002	Special	2.5	100	30
1 April 2002	Interim	7.0	100	30
1 October 2002	Final	7.5	100	30
1 April 2003	Interim	7.5	100	30
1 April 2003	Special	2.5	100	30
1 October 2003	Final	8.0	100	30

Directors

B Thornton, Chairman
 J J Kennedy, Deputy Chairman
 P C Crowley, Managing Director
 D R Barry, Non-Executive Director
 R M Anderson, Non-Executive Director
 M D E Kriewaldt, Non-Executive Director

Share registry

Computershare Investor Services Pty Ltd
 GPO Box 523
 Brisbane QLD 4000
 Telephone 61 7 3237 2100
 Facsimile 61 7 3229 9860
 Toll Free 1800 684 187

Company Secretary

R J Thornton

Group bankers

BNP Paribas
 Citibank Limited
 Commonwealth Bank of Australia
 National Australia Bank

Chief Financial Officer

E J Harrison

Registered Office

Level 14
 10 Market Street
 Brisbane QLD 4000
 Telephone 61 7 3109 6000
 Facsimile 61 7 3236 0522

Auditors

Ernst & Young
 Waterfront Place
 1 Eagle Street
 Brisbane QLD 4000
 Telephone 61 7 3011 3333
 Facsimile 61 7 3011 3334

Shareholder Timetable 2003	
30 June	Financial year end
2 September	Year end result and final dividend announcement
18 September	Record date for determining final dividend entitlement
26 September	Notice of Meeting and Proxy Form and Annual Report mailed to shareholders
1 October	Final dividend paid
28 October	Proxy returns close 5pm Brisbane
30 October	Annual General Meeting

**GWA INTERNATIONAL LIMITED**

Level 14

10 Market Street

Brisbane Qld 4000

Telephone 07 3109 6000

Facsimile 07 3236 0522

Website www.gwail.com.au**CAROMA INDUSTRIES LIMITED**

Level 3, 159 Coronation Drive

Milton Qld 4064

Telephone 07 3109 6000

Facsimile 07 3217 5277

Websites www.caroma.com.auwww.fowler.com.auwww.starion-industries.com**Wisa B.V.**

Driepoortenweg 5

6827 BP Arnhem

Netherlands

Telephone 0011 31 26 3629020

Facsimile 0015 31 26 3614550

Website www.wisa-sanitair.com**Stylus Pty Ltd**

111 – 121 Warren Road

Smithfield NSW 2164

Telephone 02 8787 0500

Facsimile 02 9892 1884

Website www.stylus.com.au**DORF CLARK INDUSTRIES LIMITED**

194 Milperra Road

Revesby NSW 2212

Telephone 02 9792 0100

Facsimile 02 9773 3101

Websites www.dorf.com.auwww.clark.com.au**DUX MANUFACTURING LIMITED**

Collins Road

Moss Vale NSW 2577

Telephone 02 4868 3177

Facsimile 02 4868 2014

Website www.dux.com.au**GAINSBOROUGH HARDWARE INDUSTRIES LIMITED**

190 Whitehorse Road

Blackburn Vic 3130

Telephone 03 9877 1555

Facsimile 03 9894 1599

Website

www.gainsboroughhardware.com.au**ROVER MOWERS LIMITED**

155 Fison Avenue West

Eagle Farm Qld 4009

Telephone 07 3213 0222

Facsimile 07 3868 1010

Website www.rovermowers.com.au**SEBEL FURNITURE LIMITED**

96 Canterbury Road

Bankstown NSW 2200

Telephone 02 9780 2222

Facsimile 02 9793 3152

Website www.sebelfurniture.com.au