Appendix 4E

Ruralco Holdings Limited

ABN 40 009 660 879

for
Year ending 30 September 2005

RESULTS FOR ANNOUNCEMENT

	2005 $'000s	*2004 $'000s*	*% change*
Revenue from Ordinary Activities	589,074	611,149	-3.6
Profit from Ordinary Activities after tax attributable to members	3,303	2,523	+30.9
Net Profit for the period attributable to members	3,303	2,523	+30.9
Dividends	11c fully franked Final Dividend for YE 2004 paid 10 January 2005 5c fully franked Interim Dividend for half YE 2005 paid 29 June 2005 (the DRP did not operate for this dividend) *It is proposed to issue a* 25c fully franked Special Dividend, payable 14 December 2005 11c fully franked Final Dividend for YE 2005 payable 14 December 2005 *The dividend reinvestment plan will continue to operate. The last date for notification of changes will be the record date for the final dividend.* *The record date for the final and special dividends will be 30 November 2005.*		
Earnings per share	30.0c	23.0c	
Net Tangible Assets per share	$2.33	$2.10	

The group achieved a consolidated profit after income tax and minority interests of $3.303m, which was a 31% improvement over the prior year result of $2.523m. This result was after booking restructuring costs of $0.2 million net after tax.

Earnings per share grew from 23 cents in 2003/04 to 30 cents. The Special Dividend of 25 cents per share announced in relation to the sale of corporate stores combined with the Final Dividend will mean a total payout during the calendar year of $0.41 cents per share. Both dividends are to be underwritten, thus ensuring no reduction in cash to fund further developments and initiatives.

The principle activities of the consolidated group remain focussed on rural merchandising, wool & livestock agency services, fertiliser and real estate.

Group revenue is expected to be reduced in the coming year due to the sale of corporate stores and the change in structure of fertiliser arrangements. However, it is anticipated that group profits will be unaffected due to a reduction in operating costs, investment and funding costs. Return on net assets should increase as a result of these initiatives.

During the year CRT Financial Services issued its first unsecured notes prospectus that will be used predominantly to retire debt, with any surplus to be used for livestock financing to farmers.

In the opinion of the directors, there were no other significant changes in the state of affairs of the consolidated entity.

It is not practical to segment the operation of the group as all areas of its operation other than Merchandising are in the development stage, which would make segmentation meaningless at this time. However, it is expected that in future years as each of the businesses increase in significance then segmentation along business lines will be undertaken.

The following accounts have been audited and the auditor has provided an unqualified opinion.

Statement of Financial Performance
For the year ended 30 September 2005

	Notes	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Revenues from Ordinary Activities	2	589,074	611,149	1,399	3,289
Changes in Inventories of Finished Goods		(257)	(480)	(28)	(131)
Purchase of Finished Goods		(534,943)	(559,718)	-	145
Employee Benefits Expense		(22,010)	(21,158)	(73)	(166)
Depreciation and Amortisation Expense	3	(1,920)	(2,018)	(18)	(32)
Borrowing Cost Expense	3	(1,889)	(1,855)	(540)	(698)
Other Operating Expense		(22,946)	(21,902)	(2,781)	(722)
Share of Net Profit of Associates and Joint ventures Accounted for using the Equity Method		38	53	(63)	44
Profit/(Loss) from Ordinary Activities before Income Tax (Expense) / Benefit		5,147	4,071	(2,104)	1,729
Income Tax Expense / (Benefit) relating to Ordinary Activities	4	1,661	1,358	1,394	(238)
Profit from Ordinary Activities after related Income Tax Expense / (Benefit)		3,486	2,713	(3,498)	1,967
Net Profit attributable to Outside Equity Interests		(183)	(190)	-	-
Net Profit attributable to members of the parent company		3,303	2,523	(3,498)	1,967
Increase (Decrease) in Asset Revaluation Reserve	25	63	33	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		63	33	-	-
Total changes in equity other than those resulting from transactions with owners as owners		3,366	2,556	(3,498)	1,967
Basic Earnings per Share (Cents per Share)	8	29.6	23.0		
Diluted Earnings per Share (Cents per share)	8	29.6	23.0		

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 30 September 2005

	Notes	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
CURRENT ASSETS					
Cash assets	9	18,186	19,406	2,085	3,384
Receivables	10	121,599	111,989	377	59
Inventories	11	24,009	24,436	18	46
Other	18	1,096	1,067	-	6
Total Current Assets		164,890	156,898	2,480	3,495
NON-CURRENT ASSETS					
Receivables	10	2,364	2,434	6,045	9,028
Investments accounted for using the equity method	12	871	1,242	421	484
Other financial assets	13	276	276	21,581	21,839
Property, plant and equipment	15	5,328	6,485	168	533
Intangible assets	16	9,750	10,068	542	591
Deferred tax assets	17	2,425	2,336	2,045	2,181
Total Non-Current Assets		21,014	22,841	30,802	34,656
TOTAL ASSETS		185,904	179,739	33,282	38,151
CURRENT LIABILITIES					
Payables	19	116,179	110,074	1,409	20
Interest bearing liabilities	20	21,957	23,504	1,125	1,500
Current tax liabilities	21	458	709	455	703
Provisions	22	3,243	2,975	605	531
Total Current Liabilities		141,837	137,262	3,594	2,754
NON-CURRENT LIABILITIES					
Interest bearing liabilities	22	7,885	8,898	7,500	8,623
Provisions	24	325	366	29	62
Total Non-Current Liabilities		8,210	9,264	7,529	8,685
TOTAL LIABILITIES		150,047	146,526	11,123	11,439
NET ASSETS		**35,858**	**33,213**	**22,159**	**26,712**
EQUITY					
Contributed equity	25	25,822	25,100	25,822	25,100
Reserves	26	205	142	-	-
Retained profits	27	8,487	6,962	(3,663)	1,612
Parent entity interest		34,514	32,204	22,159	26,712
Outside equity interest	28	1,344	1,009	-	-
TOTAL EQUITY		**35,858**	**33,213**	**22,159**	**26,712**

The accompanying notes form part of these financial statements.

Statements of Cash Flows
For the year ended 30 September 2005

		Economic Entity		Parent Entity	
	Notes	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Cash flows from operating activities					
Receipts from customers		583,623	602,258	551	427
Payments to suppliers and employees		(581,405)	(582,961)	(682)	(456)
Dividends received		-	-	326	2,673
Membership levies received		446	476	-	-
Other revenue		684	978	-	-
Interest received		2,886	2,652	408	614
Borrowing costs		(1,889)	(1,855)	(540)	(698)
Taxes paid		(3,195)	(4,076)	(369)	(69)
Net cash provided by (used in) operating activities	32(a)	1,150	17,472	(306)	2,491
Cash flows from investing activities					
Purchase of property, plant and equipment		(1,167)	(1,855)	-	-
Proceeds from sale of property, plant and equipment		658	478	365	-
Payment for subsidiary and business, net of cash acquired	32(b)	(204)	(2,880)	-	-
Purchase of patent			(541)	-	-
Proceeds from sale of investments		2,110	-	265	-
Repayment/(Payment) of Loans to/(by) related parties		246	455	1,205	395
Net cash provided by (used in) investing activities		1,643	(4,343)	1,835	395
Cash flows from financing activities					
(Repayment) of borrowings		(53,472)	(72,272)	(1,500)	(2,380)
Proceeds of borrowings		51,770	69,746		-
Dividends paid by parent entity		(1,328)	(1,153)	(1,328)	(1,153)
Dividends paid by controlled entities		(124)	(85)	-	-
Net cash provided (used in) by financing activities		(3,154)	(3,764)	(2,828)	(3,533)
Net increase / (decrease) in cash held		(361)	9,365	(1,299)	(647)
Cash at 1 October 2004		10,768	1,403	3,384	4,031
Cash at 30 September 2005		10,407	10,768	2,085	3,384

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the year ended 30 September 2005

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 and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Ruralco Holdings Limited and controlled entities and Ruralco Holdings Limited as an individual parent entity. Ruralco Holdings Limited is a listed public company, incorporated and domiciled in Australia.

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.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

The controlled entity is any entity controlled by Ruralco Holdings Limited. Control exists where Ruralco Holdings 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 Ruralco Holdings Limited to achieve the objectives of Ruralco Holdings Limited. A list of controlled entities is contained in Note 14 to the financial statements.

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

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities 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 accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a 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 tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by the law.

Ruralco Holdings Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation System. Ruralco Holdings Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The group notified the ATO on 12 September 2003 that it had formed an income tax consolidated group to apply from 1 October 2002**.** The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group. and it’s wholly-owned

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

1. Statement Of Significant Accounting Policies (continued)

(b) Income Tax (continued)

There was no material re-statement of the FITB or DITL as a result of the tax consolidation.

(c) 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.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

(d) Inventories

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

(e) Investments

Shares in listed companies held as current assets are valued by directors at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure that it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

The expected net cash flows from investments have not been discounted to their net present value in determining the recoverable amounts.

(f) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting.

(g) 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 in the economic 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 bargain purchase options or guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

1. Statement Of Significant Accounting Policies (continued)

(h) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows from which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

(i) **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis or reducing balance basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold improvements	4 - 7.5%
Plant and equipment	5 - 40%
Leased plant and equipment	15%

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

1. Statement Of Significant Accounting Policies (continued)

(j) **Intangibles**

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 the period of 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.

Rent Rolls & Insurance Rolls

Rent rolls and insurance rolls are brought to account as identifiable intangible assets and are revalued by Directors at the end of each financial year. The basis of the revaluation is a multiple of current years gross income.

Patents

Patents are recorded at cost and are amortised on a straight line basis over the periods of their expected benefit.

(k) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal value. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(l) **Cash**

For purposes of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 14 days to maturity.

(m) **Comparative Figures**

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

(n) **Revenue**

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

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

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

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

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

1. Statement Of Significant Accounting Policies (continued)

(o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(p) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the report and directors' report have been rounded off to the nearest $1,000.

(q) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The company is preparing for and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) which are effective for financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the economic entity's and the parent entity's financial statements for the year ending 30 September 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 September 2005 are required to be restated. Certain of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 October 2004.

The economic entity's management, with the assistance of external consultants, has assessed the significance of the expected changes and is preparing for their implementation. An AIFRS committee is overseeing and managing the economic entity's transition to AIFRS. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The figures disclosed are management's best estimates of the quantitative impact of changes as at the date of preparing the 30 September 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to (a) ongoing work undertaken by the AIFRS committee, (b) potential amendments to AIFRSs and interpretations thereof being issued by the standard setters and (c) emerging accepted practice in the interpretation and application of AIFRS and UIG Interpretations.

(i) Impairment of Assets

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often.

The economic entity has tested all assets for impairment as at 1 October 2004 and 30 September 2005. The impact of the change is estimated to be $269,000.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

1. Statement Of Significant Accounting Policies (continued)

(q) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards (cont)

(ii) Intangible Assets

Goodwill

Goodwill represents the difference between the cost of a business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Current accounting policy of the entity is to amortise goodwill on a straight-line basis over a period not exceeding 20 years.

Under AASB 3: Business Combinations, amortisation of goodwill is prohibited. Goodwill is capitalised to the statement of financial position and subjected to an annual impairment test. Goodwill is allocated to cash generating units and tested annually for impairment (refer to (i) for further details on impairment testing).

In respect of balances reported prior to the transition date, goodwill is carried on the basis of its deemed cost, which represents the amount recorded under Australian GAAP as at 1 October 2004.

Impairment testing as at 1 October 2004 indicated that there is an impairment of goodwill of $313,000. As at 30 September 2005 there is no impairment of goodwill.

Other Intangible Assets

Other intangible assets acquired will be stated at cost less accumulated amortisation and impairment losses. Software assets acquired and or developed for internal use will be reclassified from property, plant and equipment to intangible assets on transition to AIFRS. This is expected to result in a reclassification of $1,140,000 by the economic entity as at 1 October 2004 and $1,203,000 as at 30 September 2005.

Amortisation

Amortisation will be recognised on a straight line basis over the estimated useful lives of the intangible assets, unless such lives are indefinite. Goodwill and intangible assets with indefinite lives will not be subject to amortisation but are tested for impairment annually. Other intangible assets will be amortised from the date they are available for use.

The impact on the results for the year ended 30 September 2005 is expected to be an increase in profit of $513,000 resulting from the reversal of the goodwill amortisation for the economic entity.

(iii) Income Tax

Currently, the economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under AASB 112: Income Taxes, the entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

The expected impact on the economic entity at 1 October 2004 of the change in basis and the transition adjustments to the deferred tax balances and the previously reported tax expense is a decrease in the deferred tax asset of $309,000 and a decrease of in retained earnings of $309,000.

The expected impact of the change in basis on the tax expense for the financial year ended 30 September 2005 will be a increase in tax expense by $160,000 for the economic entity. Deferred tax assets of the economic entity will decrease by $160,000 as at 30 September 2005.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

1. Statement Of Significant Accounting Policies (continued)

(q) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards (cont)

(iv) Make Good Provisions

Under AIFRS the costs of restoring a site occupied as part of the entities business operations to its original condition must be recognised when the site is initially utilised. This cost is capitalised as a component of property, plant and equipment, with a corresponding provision being recorded and amortised over the applicable occupation period.

At 1 October 2004 a provision for make good costs of $318,000 is expected to be recognised by the economic entity. This change to the current accounting policy has resulted in an increase to property, plant and equipment and the related provision balance. Amortisation of $33,000 will be charged at 1 October 2004 and $148,000 for the year ended 30 September 2005.

(v) Inventory

The economic entity receives rebates from vendors on inventory purchases. AIFRS requires rebates received from vendors to be recognised as a reduction of cost of sales. Such a rebate is also recognised as a reduction in the cost of inventories.

The expected impact on the economic entity at 1 October 2004 of the change in this policy is a decrease in retained earnings and inventory of $160,000. The corresponding entry for 30 September 2005 will result in an increase to cost of goods sold and a decrease in inventory of $166,000.

(vi) Non-Current Investments

Under AASB 139: Financial Instruments: Recognition and Measurement, financial assets are required to be classified into four categories, which determine the accounting treatment of the asset. The categories and various treatments are:

- held to maturity, measured at amortised cost
- held for trading, measured at fair value with unrealised gains or losses charged to the profit and loss
- loans and receivables, measured at amortised cost
- available for sale, measured at fair value with unrealised gains or losses taken to equity.

The economic entity's and the parent entity's financial assets include loans and receivables. Under AASB 139: Financial Instruments: Recognition and Measurement, the measurement of loans and receivables at amortised cost differs to current accounting policy which measures such assets at cost with an annual review by directors to ensure the carrying amounts are not in excess of the recoverable value. Under AASB 139 loans and receivables are subject to regular impairment testing. The parent entity also holds shares in controlled entities, such instruments would be classified as available for sale, however given that there is no reasonably measurable market price for these instruments, they will be measured at cost and subject to impairment testing on a discounted cash flow basis from time to time. The impact of these changes is not expected to be material.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

1. Statement Of Significant Accounting Policies (continued)

(q) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards (cont)

(vii) General Provisions

Prior to the 2005 year, the economic entity recorded certain 'general provisions' that under current Australian GAAP are acceptable. Under AIFRS such provisions are not permitted.

These items will be de-recognised on transition to IFRS at 1 October 2004. The total release, which increases retained profits, will amount to $627,000.

These items have been released to profit during the 2005 financial year as management has re-assessed they are no longer required. This treatment is allowed under AGAAP and does not affect the net assets of the group at 30 September 2005. This will however need to be adjusted under AIFRS.

Reconciliation of equity as presented under AGAAP to equity determined under AIFRS

	Notes	Economic Entity	
		2005 $'000	2004 $'000
TOTAL EQUITY UNDER AGAAP		35,858	33,213
Adjustments to retained profit			
Impairment of investment	1 q(i)	(269)	(269)
Impairment of goodwill	1 q(ii)	(313)	(313)
Reversal of goodwill amortisation	1 q(ii)	513	-
Bringing tax to account	1 q(iii)	(160)	(309)
Amortisation of provision for make good costs in operating leases	1 q(iv)	(181)	(33)
Recognition of inventory rebates	1 q(v)	(166)	(160)
General provision adjustments	1 q (vii)	-	627
TOTAL EQUITY UNDER AIFRS		35,282	32,756

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

1. Statement Of Significant Accounting Policies (continued)

(q) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards (cont)

Reconciliation of net profit under AGAAP to net profit determined under AIFRS

YEAR ENDED 30 SEPTEMBER 2005	Notes	Economic Entity $'000
NET PROFIT AS REPORTED UNDER AGAAP		3,303
Reversal of amortisation of goodwill	1 q(ii)	513
Taxes	1 q(iii)	(160)
Make good costs amortisation	1 q(iv)	(148)
Inventory rebates movement	1 q(v)	(6)
NET PROFIT UNDER AIFRS		3,502

Restated AIFRS Statement of Cash Flows for the year ended 30 September 2005

There are no material differences between the statement of cash flows presented under AIFRS and the statement of cash flows presented under previous AGAAP.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

		Economic Entity		Parent Entity	
		2005 $'000	2004 $'000	2005 $'000	2004 $'000
2 Revenue					
Operating Activities					
Sales of goods		544,285	567,935	28	-
Dividends Received	2(a)	-	-	326	2,464
Interest Income	2(b)	2,886	2,652	409	802
Commission Income		15,676	13,248	-	-
Other Income		23,182	26,836	8	23
Operating Revenue		586,029	610,671	771	3,289
Non-operating Activities					
Proceed from sale of non-current assets		3,045	478	629	-
Total Revenue		589,074	611,149	1,399	3,289
(a) Dividend revenue from:					
– Wholly owned Subsidiaries		-	-	326	2,464
Total Dividend Revenue		**-**	**-**	**326**	**2,464**
(b) Interest revenue from:					
– Wholly owned subsidiaries		-	-	308	616
– Associated companies		100	121	20	12
– Other persons		2,786	2,531	81	174
Total Interest Revenue		**2,886**	**2,652**	**409**	**802**

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
3 Profit From Ordinary Activities				
Profit from Ordinary Activities before Income Tax has been determined after:				
Expenses				
Cost of Sales	(535,200)	(560,198)	(28)	14
Borrowing Costs:				
- Other persons	(1,889)	(1,855)	(540)	(698)
Depreciation of non-current assets				
- Buildings	(9)	(10)	(3)	(6)
- Plant & Equipment	(1,225)	(1,453)	(15)	(26)
- Leasehold Improvements	(83)	(81)	-	-
- Leased Plant & Equipment	(13)	(4)	-	-
Total Depreciation	(1,330)	(1,467)	(18)	(32)
Amortisation of non-current assets				
- Patent	(49)	-		
- Goodwill	(178)	(108)	-	-
- Goodwill on Consolidation	(362)	(362)	-	-
Total Amortisation	(589)	(551)	-	-
Bad and Doubtful Debts				
- Trade debtors	(391)	(989)	(23)	(11)
Rental Expense on Operating Leases				
- Minimum lease payments	(3,712)	(3,430)	(74)	(51)
Loss on Disposal of non-current assets				
- Plant and Equipment	(48)	(69)	(10)	-
	(48)	(69)	(10)	-
Intercompany Loan Writeoff	-	-	(1,618)	-
	-	-	(1,618)	-

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

4 Income Tax Expense

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
The prima facie tax on profit from ordinary activities before income tax is reconciled as follows:				
Prima facie tax payable on profit arising from ordinary activities before income tax at 30%				
- economic entity	1,554	1,221	-	-
- parent entity	-	-	131	518
- other members of the income tax consolidated group net of intercompany transactions	-	-	1,630	1,187
	1,554	1,221	1,761	1,705
Add				
Tax effect of:				
- non-deductible depreciation and amortisation	108	123	-	-
- other non-allowable items	8	20	1	-
Under (Over) provision in previous year	(9)	(2)	(123)	(3)
Income tax attributable to operating profit	1,661	1,362	1,639	1,702
Less				
Tax effect of:				
- rebateable fully franked dividends	-	-	-	(739)
Share of net profits / (losses) of associates and joint ventures	-	(4)	19	(14)
Income tax expense attributable to profit from ordinary activities before income tax	1,661	1,358	1,658	949
Allocation of income tax expense to wholly-owned subsidiaries under the tax sharing agreement	-	-	(264)	(1,187)
Income tax attributable to parent entity	1,661	1,358	1,394	(238)

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

5 Directors and Executives Remuneration

(a) Names and positions held of Specified Directors and Specified Executives in office at any time during the financial year are:

Specified Directors

R A England	Chairman - Non-Executive
R J Oliver	Director - Non-Executive
B P Castine	Director - Non-Executive
M L Hampton	Director - Non-Executive (Resigned on 10 June 2005)
J W Hughes	Director – Executive
M J Millner	Director - Non-Executive
L R Petch	Director - Non-Executive
R J Webster	Director - Non-Executive

Specified Executives

N S Hansra	Chief Financial Officer (Commenced on 4 April 2005)
D P Foung	General Manager - Finance and Admin (Resigned on 15 April 2005)
G O'Neil	General Manager - Rural Merchandise
C Major	General Manager - Real Estate and Wool & Livestock
P Loder	General Manager – Fertiliser
A Bertogna	General Manager – Retail Stores (Resigned on 4 July 2005)
D W Glasgow	Company Secretary & Legal Counsel

Remuneration

The company has applied the exemption under Corporations Amendments Regulation 2005 which exempts listed companies from providing remuneration disclosures in relation to their Specified Directors and Specified Executives in their annual financial reports by Accounting Standard 1046 "Director and Executive Disclosures by Disclosing Entities".

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
6 Auditors Remuneration				
Remuneration of auditors of the parent entity for:				
- auditing or reviewing the financial report	223	211	223	211
- other services	78	123	78	123
- other services provided by related practice of auditor	-	11	-	-
	301	345	301	334
7 Dividends				
Interim fully franked ordinary dividend of 5 cents per share (2004: 4 cents) fully franked at the rate of 30%	560	438	560	438
2004 final fully franked ordinary dividend of 11 cents per share franked at the rate of 30%	1,218	1,089	1,218	1,089
	1,778	1,527	1,778	1,527
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years	26,793	26,696	23,739	23,970
8 Earnings Per Share				
(a) Reconciliation of Earnings to Net Profit or Loss				
Net Profit	3,486	2,713		
Net profit attributable to outside equity interest	(183)	(190)		
Earnings used in the calculation of basic EPS	3,303	2,523		
Earnings used in the calculation of dilutive EPS	3,303	2,523		
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	11,149,039	10,946,789		
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	11,149,039	10,946,789		

Classification of securities

Diluted earnings per share is calculated after classifying all options on issue and all ownership based remuneration scheme shares remaining unconverted at 30 September 2005 as potential shares.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

		Economic Entity		Parent Entity	
		2005 $'000	2004 $'000	2005 $'000	2004 $'000
9	**Cash Assets**				
	Cash at bank and on hand	18,186	19,406	2,085	3,384

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Cash	18,186	19,406	2,085	3,384
Bank overdrafts	(7,779)	(8,638)	-	-
	10,407	10,768	2,085	3,384

		Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
10	**Receivables**				
	CURRENT				
	Trade debtors	117,311	107,339	1	24
	Less: Provision for doubtful debts	(2,712)	(2,417)	(34)	(6)
		114,599	104,922	(33)	18
	Other debtors	2,273	1,895	410	41
	Amounts receivable from:				
	- associated companies	4,727	5,172	-	-
		121,599	111,989	377	59
	NON-CURRENT				
	Amounts receivable from:				
	- wholly owned subsidiaries	-	-	5,831	8,823
	- partly owned subsidiaries	325	350	-	-
	- associated companies	2,039	2,084	214	205
		2,364	2,434	6,045	9,028
11	**Inventories**				
	CURRENT				
	Finished goods	24,009	24,436	18	46

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

		Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
12 Investments Accounted For Using The Equity Method					
Associated Companies	**12 (a)**	871	1,242	421	484

(a) Associated Companies

Interests are held in the following associated companies

Name	Principal Activities		Ownership Interest 2005 %	Ownership Interest 2004 %	Carrying Amount of Investment 2005 $'000	Carrying Amount of Investment 2004 $'000
Unlisted						
Esperance Rural Supplies Pty Limited	Rural Merchandising	Ordinary	50	50	449	406
Clylen Pty Ltd	Rural Merchandising	Ordinary	-	32	-	352
Western Riverina Fertilisers Pty Ltd	Rural Merchandising	Ordinary	50	50	-	-
Ensil Pty Ltd	Research	Ordinary	50	50	-	-
Stanthorpe Rural Pty Ltd	Rural Merchandising	Ordinary	-	20	-	-
Lachlan Fertilizers Rural Pty Ltd	Rural Merchandising	Ordinary	20	20	422	484
					871	1,242

(b) Movements during the Year in Equity Accounted Investments in Associated Companies

		Economic Entity 2005	Economic Entity 2004	Parent Entity 2005	Parent Entity 2004
	Balance at beginning of the financial year	1,242	1,222	484	440
Add:	Share of associated company's profit from ordinary activities and extraordinary items after income tax	38	53	(63)	44
Less:	Sale of shareholdings in Clylen Pty Ltd	(409)	-	-	-
	Share of pre-acquisition dividend	-	(33)	-	-
	Balance at end of the financial year	871	1,242	421	484

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
12 Investments Accounted For Using The Equity Method (continued)				
(c) Retained Earnings Attributable to Associate Companies				
Share of associate's profit / (losses) from ordinary activities before income tax	74	60	(82)	49
Share of associate's income tax (expense) / benefit	(36)	(7)	19	(5)
Share of associate's profit / (losses) from ordinary activities after income tax	38	53	(63)	44
Share of pre-acquisition dividends	-	(33)	-	-
Share of retained profits at beginning of the financial year	352	332	(31)	(75)
Share of retained profits / (losses) at end of the financial year	390	352	(94)	(31)
(d) Reserves Attributable to Associates				
Asset Revaluation reserve				
Balance at the beginning of the financial year	125	125	-	-
Balance at the end of the financial year	125	125	-	-
(e) Summarised presentation of Aggregate Assets, Liabilities and Performance of Associates				
Current Assets	5,193	9,667	3,626	4,634
Non-current Assets	1,164	3,810	2,344	2,264
Total Assets	6,357	13,477	5,970	6,898
Current Liabilities	2,694	7,457	4,203	4,532
Non-current Liabilities	1,357	3,103	1,066	1,352
Total Liabilities	4,051	10,560	5,269	5,884
Net Assets	2,306	2,917	701	1,014
Net profit / (losses) from ordinary activities after income tax of associates	38	53	(63)	44

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

		Notes	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
13	**Other Financial Assets**					
	NON CURRENT					
	Listed Investments, at cost	(a)	2	2	-	-
	Unlisted Investments, at cost					
	- shares in controlled entities		-	-	21,581	21,839
	-shares in other related parties includes a shareholding in Graintrust Pty Ltd					
	Percentage owned 18.7% (2004:18.7%)		260	260	-	-
	- shares in other corporations		14	14	-	-
			276	276	21,581	21,839

(a) Shares in Listed Investments – Market Values

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
The aggregate market values of investments listed on prescribed stock exchanges are:				
Shares in other corporation	6	5	-	-

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

14 Controlled Entities

(a) Controlled Entities and their Contribution to Consolidated Profit

Name of Entity	Country of Incorporation	Percentage Owned (%)	
		2005	2004
Parent Entity			
Ruralco Holdings Limited	Australia	-	-
Subsidiaries of Ruralco Holdings Limited			
Combined Rural Traders Pty Limited	Australia	100	100
Merredin Rural Supplies Pty Limited	Australia	100	100
Narrogin Farm Supplies Pty Limited	Australia	100	100
Quairading Rural Supplies Pty Limited	Australia	100	100
MRW Merchandise Pty Limited	Australia	100	100
Terra Firma Fertilisers Pty limited	Australia	100	100
CRT Wool & Livestock Pty Limited	Australia	100	100
WIBO Sales Pty Limited	Australia	100	100
Town & Country Agrimerchant Pty Limited	Australia	100	100
Wesfal Pty Limited	Australia	62	62
Rawlinson & Brown Pty Ltd	Australia	72	80
Rahoom Pty Ltd	Australia	80	80
Rodwells & Co Pty Ltd	Australia	100	100
Rodwells & Co NSW Pty Ltd	Australia	100	100
B J Underwood Pty Ltd	Australia	100	100
Southern Wool Warehousing Pty Ltd	Australia	100	100
CRT Real Estate Pty Ltd	Australia	100	100
RHL Settlements Pty Ltd	Australia	100	100
Ingham Farm Centre Pty Ltd	Australia	100	100
CRT Mackay Pty Ltd	Australia	100	100
Metro Rural Supplies Pty Ltd	Australia	100	100
Wide Bay Rural Supplies Pty Ltd	Australia	100	100
CRT Ayr Pty Ltd	Australia	100	100
CRT GFRural Pty Ltd	Australia	100	100
Caboolture Rural Supplies Pty Ltd	Australia	100	100
South Burnett Rural Supplies Pty Ltd	Australia	100	100
Town & Country Real Estate Pty Ltd	Australia	100	100
T&C Real Estate Pty Ltd	Australia	100	100
CRT Financial Services Ltd	Australia	100	-

(b) Controlled Entities Acquired

During the year the economic entity through its wholly owned subsidiary, Rodwells & Co Pty Ltd, acquired the business Noonan Livestock & Property Pty Ltd for a consideration of $203,500. CRT Financial Service was set up and business commenced in September 2005.

A deed of cross-guarantee between Ruralco Holdings Limited and its wholly owned subsidiaries was enacted on 10 September 2003. Under the deed Ruralco Holdings Limited guarantees to support the liabilities and obligations of its wholly owned entities as listed under note 14 (a).

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)
NOTE 14: Controlled Entities

	Closed Group 2005 $000	Closed Group 2004 $000	Parties to Deeds of Cross Guarantee 2005 $000	Parties to Deeds of Cross Guarantee 2004 $000
Financial information in relation to:				
i. Statement of Financial Performance				
Profit from ordinary activities before income tax	4,327	3,104	4,327	3,104
Income tax expense relating to ordinary activities	883	972	883	972
Profit from ordinary activities after income tax expense	3,444	2,132	3,444	2,132
Total changes in equity other than those resulting from transactions with owners as owners	3,456	2,079	3,456	2,079
ii. Retained Profits				
Retained profits at the beginning of the financial year	6,197	5,592	6,197	5,592
Profit from ordinary activities after income tax expense	3,494	2132	3,494	2,132
Dividends provided for or paid	(1,778)	(1,527)	(1,778)	(1,527)
Retained profits at the end of the financial year	7,913	6,197	7,913	6,197
iii. Statement of Financial Position				
CURRENT ASSETS				
Cash assets	18,155	19,260	18,155	19,260
Receivables	118,522	108,593	118,522	108,593
Inventories	20,865	21,720	20,865	21,720
TOTAL CURRENT ASSETS	157,542	149,573	157,542	149,573
NON-CURRENT ASSETS				
Property, plant and equipment	4,219	5,409	4,219	5,409
Investments	4,379	4,815	4,379	4,815
Receivables	2,202	3,433	2,202	3,433
Deferred Tax Assets	2,263	2,180	2,263	2,180
Intangible assets	7,885	8,206	7,885	8,206
TOTAL NON-CURRENT ASSETS	20,948	24,043	20,948	24,043
TOTAL ASSETS	178,490	173,616	178,490	173,616
CURRENT LIABILITIES				
Payables	116,536	110,985	116,536	110,985
Interest bearing liabilities	17,655	19,270	17,655	19,270
Provisions	2,607	2,959	2,607	2,959
TOTAL CURRENT LIABILITIES	136,798	133,214	136,798	133,214
NON-CURRENT LIABILITIES				
Interest bearing liabilities	7,548	8,623	7,548	8,623
Provisions	284	357	285	357
TOTAL NON-CURRENT LIABILITIES	7,832	8,980	7,833	8,980
TOTAL LIABILITIES	144,632	142,194	144,631	142,194
NET ASSETS	33,860	31,422	33,859	31,422
EQUITY				
Contributed equity	25,822	25,100	25,822	25,100
Reserves	125	125	125	125
Retained profits	7,913	6,197	7,913	6,197
	33,860	31,422	33,860	31,422

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity		Parent Entity	
	2005	**2004**	**2005**	**2004**
	$'000	**$'000**	**$'000**	**$'000**
15 Property, Plant And Equipment				
Land and Buildings				
Freehold land at:				
- directors' valuation	333	508	-	285
	-	-	-	-
	333	508	-	285
Buildings at:				
- directors' valuation	184	399	110	215
Less: Accumulated depreciation	(13)	(20)	-	(12)
	171	379	110	203
Total land and buildings	504	887	110	488
Plant and Equipment				
Plant and equipment				
At cost	14,509	14,751	341	313
Accumulated depreciation	(10,203)	(9,788)	(287)	(272)
	4,306	4,963	54	41
Leasehold Improvements				
At cost	882	935	9	9
Accumulated depreciation	(364)	(300)	(5)	(5)
Total Leasehold Improvements	518	635	4	4
Total Plant & Equipment	4,824	5,598	58	45
Total property, plant and equipment	**5,328**	**6,485**	**168**	**533**

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

15. Property, Plant And Equipment (continued)

Movements in Carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold Land $'000	Buildings $'000	Leasehold Improvements $'000	Plant & Equipment $'000	Leased Plant &Equipment $'000	Total $'000
Economic Entity						
Balance at the beginning of the year	508	379	635	4,955	8	6,485
Additions	-	-	30	1,066	71	1,167
Additions through acquisition of business	-	-	-	3	-	3
Disposals	(175)	(199)	(64)	(559)	-	(997)
Depreciation Expense	-	(9)	(83)	(1,225)	(13)	(1,330)
Carrying amount at the end of year	333	171	518	4,240	66	5,328
Parent Entity						
Balance at the beginning of the year	175	313	4	41	-	533
Additions	-	-	-	28	-	28
Disposals	(175)	(200)	-	-	-	(375)
Depreciation Expense	-	(3)	(1)	(15)	-	(18)
Carrying amount at the end of year	-	110	3	54	-	168

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
16 Intangibles				
Rent Rolls & Insurance Registers	1,204	1,140	-	-
Patent and Licences	591	591	591	591
Accumulated amortisation	(49)	-	(49)	
Goodwill	10,439	10,230	-	-
Accumulated amortisation	(2,436)	(1,893)	-	-
	8,003	8,337	-	-
	9,750	10,068	542	591

Rodwells & Co Pty Ltd acquired Noonan Livestock & Property Pty Ltd with Goodwill of $200,000 and the Economic Entity sold 7.56% shareholding in Rawlinson & Brown was sold for $265,081.

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
17 Deferred Tax Assets				
Future income tax benefit	2,425	2,336	2,045	2,181
The future income tax benefit is made up of the following estimated tax benefits:				
- timing differences	2,425	2,336	2,045	2,181
18 Other Assets				
CURRENT				
Prepayments	1,096	1,067	-	6
19 Payables				
CURRENT				
Unsecured Liabilities				
Trade Creditors	106,254	97,138	-	-
Sundry Creditors and accrued expenses	9,925	12,936	1.409	20
	116,179	110,074	1,409	20

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
20 Interest Bearing Liabilities				
CURRENT				
Unsecured Liabilities				
Lease liability	33	271	-	-
Other loans	-	1,940	1,125	1,500
	33	2,211	1,125	1,500
Secured Liabilities				
Bank overdraft	7,779	8,638	-	-
Bank loans	14,145	12,655	-	-
	21,924	21,293	-	-
	21,957	23,504	1,125	1,500
NON CURRENT				
Unsecured Liabilities				
Lease Liabilities	385	275	-	-
Loans from related bodies corporate	-	-	7,500	8,623
	385	275	7,500	8,623
Secured Liabilities				
Bank loans	7,500	8,623	-	-
	7,885	8,898	7,500	8,623
(a) Total current and non-current secured liabilities				
Bank Overdraft	7,779	8,638	-	-
Bank Loan	21,645	21,278	-	-
	29,424	29,916	-	-
(b) the carrying amounts of non-current assets pledged as security are:				
First mortgage				
Floating charge over assets, including listed investments at market value	21,014	22,841	30,802	34,656
Total assets pledged as security	21,014	22,841	30,802	34,656

(c) The bank overdrafts of the parent entity and subsidiaries are secured by a fixed and floating charge over assets

(d) The bank loans are secured by a fixed and floating charge over the assets of the parent entity and the subsidiaries.
The covenants within the bank borrowings require a minimum net interest cover ratio of 2.5 times and that Net Worth is not less than $30,000,000

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

		Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
20	**Interest Bearing Liabilities (continued)**				
	(e) Bills payable have been drawn down as a source of, primarily, long term finance. They mature on December 2006 and bear variable interest at 6.78% payable monthly in arrears (2004: 6.78%)				
	(f) A bank loan facility expired on 1 April 2005 and has been renewed for a further 12 months.				
21	**Tax Liabilities**				
	CURRENT				
	Income Tax	458	709	455	703
22	**Provisions**				
	CURRENT				
	Employee entitlements	3,243	2,975	605	531
		3,243	2,975	605	531
	NON CURRENT				
	Employee entitlements	325	366	29	62
	(a) Aggregate employee entitlements liability	3,568	3,341	634	593
		No.	**No.**	**No.**	**No.**
	(b) Number of employees at year end	356	377	37	56

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

		Economic Entity		Parent Entity	
		2005	2004	2005	2004
		$'000	$'000	$'000	$'000
23	**Contributed Equity**				
	11,191,926 (2004:11,008,499) fully paid ordinary shares	25,822	25,100	25,822	25,100
	Ordinary shares				
	At the beginning of the reporting period	25,100		25,100	24,676
	Shares issued during the year				
	- 9 January 2004 on dividend reinvestment plan		215		215
	- 29 June 2004 on dividend reinvestment plan		159		159
	- 27 September 2004 payment Nurti-gro range of products		50		50
	- 26 November 2004 on Employee and Executive Shares Placement	272	-	272	-
	- 10 January 2005 on dividend reinvestment plan	450	-	450	-
	At reporting date	25,822	25	25,822	25,100
		No.	No.	No.	No.
	At the beginning of the reporting period	11,008,499	10,890,093	11,008,499	10,890,093
	Shares issued during the year				
	- 9 January 2004 on dividend reinvestment plan		63,330		63,330
	- 29 June 2004 on dividend reinvestment plan		42,255		42,255
	- 27 September 2004 payment Nurti-gro range of products		12,821		12,821
	- 26 November 2004 on Employee and Executive Shares Placement	67,909	-	67,909	-
	- 10 January 2005 on dividend reinvestment plan	115,518	-	115,518	-
	At reporting date	11,191,926	11,008,499	11,191,926	11,008,499

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.
At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

24 Reserves

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Asset Revaluation Reserve	205	142	-	-
	205	142	-	-
Asset Revaluation Reserve Movements During the year				
Opening Balance	142	109	-	-
Revaluation increment on other assets	63	33	-	-
Closing Balance	205	142	-	-

The asset revaluation reserve records revaluations of non-current assets

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

		Economic Entity		Parent Entity	
		2005 $'000	2004 $'000	2005 $'000	2004 $'000
25	**Retained Profits**				
	Retained profits at the beginning of the financial year	6,962	5,966	1,611	1,171
	Net profit attributable to the members of the parent entity	3,303		(3,498)	1,967
	Dividends provided for or paid (Note 7)	(1,778)		(1,778)	(1,527)
	Retained profits at the end of the financial year	8,487	6,962	(3,663)	1,611
26	**Outside Equity Interest**				
	Outside equity interest comprises:				
	- Share Capital	81	64	-	-
	- Reserves	113	77	-	-
	- Retained Profits	1,150	868	-	-
		1,344	1,009	-	-
27	**Capital And Leasing Commitments**				
	Operating leases:				
	Non-cancellable operating leases contracted for but not capitalised in the financial statements				
	Payable:				
	- Not later than 1 year	3,393	3,155	-	58
	- Later than 1 year but not later than 5 years	8,929	8,493	-	97
	- Later than 5 years	732	2,212	-	-
		13,054	13,860	-	155

The operating leases predominately relate to property and motor vehicle.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
27 Capital And Leasing Commitments (continued)				
Finance Leases / Hire Purchase				
Payable:				
- Not later than one year	246	205	-	-
- Later than 1 year but not later than 5 years	211	253	-	-
Minimum Lease payments	457	458	-	-
Less Future lease finance charges	(39)	(40)	-	-
Total lease liability	418	418	-	-

The finance leases predominately relate to the acquisition of motor vehicles and computer equipment.

28 Contingent Liabilities

The economic entity guarantees on behalf of certain shareholders the due performance of direct trading accounts with a certain supplier, limited to an aggregate amount of $600,000 and in respect of any individual account an amount of $100,000.

29 Employee Benefits

The principal type of benefit provided by The Spectrum Plan - Sub Plan: Ruralco Holdings Limited and its Subsidiary / Associated Companies is a lump sum determined on the basis of the accumulation of contributions less tax and expenses plus investment earnings. Members of the Plan are able to select any combination of investment options offered by the Plan.

Employees may contribute to the Plan but are not required to do so. The parent entity contributes to the Plan at the minimum required under the Superannuation Guarantee Charge Act 1993 as amended. The contributions made by the parent entity are legally enforceable. The parent entity has no other legal liability to contribute to the superannuation plan.

The Trustee of The Spectrum Plan, SMF Funds Management Limited (ACN 009 564 354), has elected that the Plan be a Regulated Fund for the purposes of the Superannuation Industry (Supervision) Act which ensures that the Plan retains its tax concessional status. A Sub Plan Committee with equal representation of Employer & Employees exists to advise the Trustee.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity		Parent Entity	
	2005	**2004**	**2005**	**2004**
	$'000	**$'000**	**$'000**	**$'000**

30 Related Party Transactions

The nature of the organisation is such that the majority of directors are representatives of shareholder companies who are also customers of the company. Consequently normal trading transactions as are available to all shareholders have been carried out with directors as shareholders and with shareholder companies of which directors of Ruralco Holdings Limited are also directors or shareholders.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
(i) Associated Companies				
Sales of merchandise goods by Combined Rural Traders Pty Ltd to:				
Clylen Pty Limited	2,634	1,012	-	-
Esperance Rural Supplies Pty Limited	5,359	5,414	-	-
Walsh's Rural Pty Ltd	-	122	-	-
(ii) Parent and Subsidiary Entities				
Purchase of goods and services for resale from:				
Combined Rural Traders Pty Ltd	66,279	67,573	-	-
(iii) Transactions with Specified Directors and their Personally Related Entities				
Sale of goods and services for resale to entities which directors have significant influence:				
Farmwest Services Limited	1,383	-	-	-
Lachlan Fertilizers Rural Pty Ltd	3,183	8,728	-	-
MacDonald Farm Supplies Pty Limited	380	421	-	-
Pitt Capital Partners Limited	-	16	-	-
Roberts Limited	22,303	19,727	-	-
W & H Pty Limited	5,019	4,027	-	-
Websters Stock Feeds Pty Limited	2,090	1,878	-	-
YGP Grain & Hardware Pty Limited	2,336	2,591	-	-
	36,694	37,388	-	-

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity		Parent Entity	
	2005	**2004**	**2005**	**2004**
	000	**000**	**000**	**000**

30 Related Party Transactions (continued)

(iv) Directors

Directors of entities within the economic entity are able, with all staff members, to purchase goods produced by the economic entity at discounted prices

(v) Share Transactions of Directors

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

	Economic Entity 2005 000	Economic Entity 2004 000	Parent Entity 2005 000	Parent Entity 2004 000
Ruralco Holdings Limited				
- Ordinary Shares	3,101	3,046	3,101	3,046

31 Segment Information

The group principally operates in providing goods and services to businesses trading in rural and/or farm supplies and conducts its activities predominantly within Australia.

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
32 Cashflow Information				
(a) Reconciliation of cash flow from operations with profit from ordinary activities after income tax				
Profit from ordinary activities after income tax	3,486	2,713	(3,498)	1,967
Non-cash flows included from ordinary activities				
Amortisation	589	470	-	-
Depreciation	1,330	1,548	18	32
Increase in provision for doubtful debts	261	868	28	-
(Decrease) in provision for stock obsolescence	204	(71)	-	-
Loss on sale of non-current assets	48	(69)	10	-
(Gain) on sale of Investments	(197)	-	-	-
Writeoff of Intercompany Loans	-	-	1,618	-
Share of associated company's profit after income tax & dividends	(38)	(53)	63	(44)
Change in assets and liabilities (net of the effects of purchase and disposal of subsidiaries				
(Increase)/Decrease in trade debtors	(9,905)	(18,444)	(9)	56
(Increase)/Decrease in inventories	257	1,452	28	131
Movement in future income tax benefit	(91)	(664)	(20)	(640)
Decrease/(Increase) in other operating assets	(28)	(104)	6	6
(Decrease) / Increase in trade creditors	5,256	28,312	1,390	(168)
Movement in income taxes payable	(251)	1,024	19	1,219
(Decrease)/Increase in other provisions	226	486	41	(68)
Cash flows from operations	1,147	17,472	(306)	2,491

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity		Parent Entity	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
32 Cashflow Information (continued)				
(b) Acquisition of Entities & Businesses				
During the year the business of Noonan Livestock & Property Pty Ltd was acquired Details of this transaction are:				
Purchase Consideration	204	-	-	-
Cash consideration	204	-	-	-
Cash Outflow/(Inflow)	204	-	-	-
Assets and Liabilities held at acquisition date:				
Property, plant & equipment and Investments	4	-	-	-
Goodwill on consolidation	200	-	-	-
	204	-	-	-
During the year the business of B.J Underwood was acquired. Details of this transaction are:				
Purchase Consideration	-	809	-	-
Cash consideration	-	809	-	-
Issue of Ordinary shares	-	-	-	-
Cash Outflow/(Inflow)	-	809	-	-
Assets and Liabilities held at acquisition date:				
Receivables	-	26	-	-
Inventories	-	442	-	-
Property, plant & equipment and Investments	-	229	-	-
Other Assets	-	7	-	-
Creditors	-	(45)	-	-
	-	659	-	-
Goodwill on consolidation	-	150	-	-
	-	809	-	-

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

32 Cashflow Information (continued)

(b) Acquisition of Entities & Businesses (continued)

During the year the business of Kennedy & Mortlock was acquired.
Details of this transaction are:

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Purchase Consideration	-	167	-	-
Cash consideration	-	167	-	-
Cash Outflow/(Inflow)	-	167	-	-
Assets and Liabilities held at acquisition date:				
Inventories	-	15	-	-
Property, plant & equipment and Investments	-	30	-	-
Creditors	-	(28)	-	-
Other	-	17	-	-
Goodwill on consolidation	-	150	-	-
	-	167	-	-

Further costs associated with the acquisition of Cockayne & Ryan (Finley)
Details of this transaction are:

	Economic Entity 2005 $'000	Economic Entity 2004 $'000	Parent Entity 2005 $'000	Parent Entity 2004 $'000
Purchase Consideration	-	23	-	-
Cash consideration	-	23	-	-
Cash outflow/(inflow)	-	23	-	-
Assets and Liabilities held at acquisition date:				
Goodwill	-	23	-	-
	-	23	-	-

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

	Economic Entity		Parent Entity	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
32 Cashflow Information (continued)				
(b) Acquisition of Entities and Businesses (continued)				
During the year the business of Terra Firma Fertilisers was acquired. Details of this transaction are:				
Purchase Consideration	-	1,881	-	-
Cash consideration	-	1,881	-	-
Issue of Ordinary shares	-	-	-	-
Cash Outflow/(Inflow)	-	1,881	-	-
Assets and Liabilities held at acquisition date:				
Inventories	-	522	-	-
Property, plant & equipment and Investments	-	760	-	-
Other Assets	-	28	-	-
Creditors	-	(19)	-	-
	-	1,291	-	-
Goodwill on consolidation	-	590	-	-
	-	1,881	-	-

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

33 Financial Instruments

(a) Financing Facilities

Ruralco Holdings Limited has access to the following lines of credit following the entry into the financing facilities referred to in Note 21.

Total Facilities	**2005 $'000**	**2004 $'000**
Working Capital Overdraft Facility	35,000	25,000
Committed Bank Bill Facility	15,000	25,000
Overdraft Facility	12,393	10,700
Leasing Facility	2,888	2,888
Hire Purchase Facilities	1,125	1,125
	66,406	64,713

The facilities may be drawn at any time, subject to the limits within the terms and conditions. Interest rates on all facilities are variable.

Ruralco Holdings Limited has an 'offset' arrangement in place across its main overdraft accounts. Under this arrangement, an overdraft facility with a gross limit of $8,000,000 is available to cover short term fluctuations. The net limit for this facility is $3,000,000.

	Economic Entity		**Parent Entity**	
	2005 $'000	**2004 $'000**	**2005 $'000**	**2004 $'000**
Financing Arrangements				
At balance date the financing facilities available, utilised and unused were as follows:				
Total facilities:				
Bank overdrafts	12,393	10,700	-	-
Bank loan facilities	54,013	54,013	-	11,498
	66,406	64,713	-	11,498
Utilised at balance date:				
Bank overdrafts	7,779	8,638	-	-
Bank loan facilities	19,798	21,696	-	10,498
	27,577	30,334	-	10,498
Unused at balance date:				
Bank overdrafts	4,614	2,062	-	-
Bank loan facilities	34,215	32,317	-	1,000
	38,829	34,379	-	1,000

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

33 Financial Instruments (continued)

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

The net fair values of other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value.

For other assets and other liabilities the net fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial assets where the carrying value amount exceeds the net fair values have not been written down as the economic entity intends to hold these assets to maturity.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2005		2004	
	Carrying Amount $000	Net Fair Value $000	Carrying Amount $000	Net Fair Value $000
Financial Assets				
Listed Investments	2	6	2	2
Unlisted Investments	274	274	274	274
	276	280	276	276
Financial Liabilities				
Lease Liabilities	365	365	418	418
Other loans and amounts due	27,212	27,212	29,916	29,916
	27,577	27,577	30,334	30,334

(d) Interest Rate Risk

The economic 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 liabilities, is as follows:

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

33 Financial Instruments (continued)

(d) Interest Rate Risk (continued)

	Weighted Average Effective Interest Rate		Floating Interest Rate $000		Fixed Interest Rate Maturing Within Year $000		Fixed Interest Rate Maturing 1 to 5 Years $000		Non-interest Bearing $000		Total $000	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Financial Assets:												
Cash	5.1	5.1	18,110	19,406	-	-	-	-	-	-	18,110	19,406
Receivables	2.6	2.6	-	-	120,758	111,989	2,166	2,434	-	-	122,924	114,423
Investments	-	-							276	276	276	276
Total Financial Assets			18,110	19,406	120,758	111,989	2,166	2,434	276	276	141,310	134,105
Bank Loans and overdrafts	5.3	5.3	7,779	8,638	14,145	12,655	7,500	8,623	-	-	29,424	29,916
Trade and sundry Creditors	-	-	-	-	-	-	-	-	115,262	110,074	115,262	110,074
Lease Liabilities	7.1	7.1			33	271	385	275	-	-	418	546
Total Financial Liabilities			7,779	8,638	14,178	12,926	7,885	8,898	115,262	110,074	145,104	140,536

Notes to the Financial Statements
For the year ended 30 September 2005 (continued)

34 Company Details

The registered office and principal place of business of the company is:

Ruralco Holdings Limited
96-100 Toongabbie Road
Girraween NSW 2145