

ADVENT LIMITED

ACN 006 509 708

Annual Report 2006

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DIRECTOR'S REPORT

The Directors of Advent Limited submit herewith the annual financial report for the financial year ended 30 June 2006. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Kevin John Croagh AO, Chairman

Mr Croagh, 77, is Chairman of Advent Limited and was a Director of Australian Pacific Technology Limited during the year. He was formerly Vice Chairman of Ceramic Fuel Cells Pty Ltd, President of The Australian Chamber of Manufacturers and was Managing Director of Vulcan Industries Limited having spent thirty years with that company gaining a wide knowledge of manufacturing and marketing. He was made an Officer in the Order of Australia in the Queen's birthday honours in June 1992 for his services to manufacturing industry and the community. He has relevant interests in 47,924 shares. Mr Croagh joined the Board in 1988.

Brian Francis Ball B.Econ

Mr Ball, 57, is Joint Managing Director of Advent Private Capital Pty Ltd. He is Managing Director of Advent III Private Equity Ltd, APC II Pty Ltd and Director of APC I Pty Ltd. He is also Chairman of TR Corporation Pty Ltd, Global Food Equipment Pty Ltd, Solomon Food Group Pty Ltd and Plantmark Pty Ltd. He is a Director of AAV Regency Pty Ltd, Primary Health Care Limited, Serck Controls Group Pty Ltd and Securepay Holdings Pty Ltd and was a director of Australian Pacific Technology Limited and Tesa Pty Ltd during the year. He has relevant interests in 740 shares. Mr Ball joined the Board in 2002.

Richard Hartley Giles MSc (Econ), ACA, MAICD

Mr Giles, 66, was a senior financial executive with the ICI Australia/Orica Group until his retirement in December 2001. Positions held included Corporate Treasurer and Investment Manager. He had substantial experience as a Director of entities associated with the Group. He was responsible for a number of venture capital investments, including being a Director of Hambro Grantham Capital Limited from 1992 to 1995. He is currently a Director of Prime Value Asset Management Limited and was a Director of Australian Pacific Technology Limited during the year. He has relevant interests in 18,646 shares. Mr Giles joined the board in 2002.

Rupert Anthony Harrington (Alternate Director for Mr KJ Croagh, Mr BF Ball and Mr RH Giles)

Mr. Harrington, 57, is Joint Managing Director of Advent Private Capital Pty Ltd. He is Managing Director of APC I Pty. Ltd. and director of Advent III Private Equity Limited and APC II Pty. Ltd. He is the Chairman of Securepay Holdings Pty. Ltd. and is also a director of AAV Regency Pty. Ltd., Regency Recordings Pty. Ltd., Isis Group Holdings Pty. Ltd. and TR Corporation Pty. Ltd. He has relevant interests in 6,544 shares. Mr Harrington was appointed as an alternate director in 2003.

DIRECTORSHIPS IN OTHER LISTED COMPANIES

The directors held no other directorships in other listed companies in the 3 years immediately before the end of the financial year.

COMPANY SECRETARY

Roland Jacob Detlev Stadly (Dip BS)

Mr Stadly, 52, is the Secretary and Chief Financial Officer of Advent Limited and is also a director and Company Secretary of Advent Private Capital Pty Ltd. He is also a Director of, Advent Private Capital Pty Ltd, APC I Pty Ltd and APC II Pty Ltd and was a Director of Australian Pacific Technology Limited during the year. Mr Stadly was appointed in 2005.

Company Secretary (Appointed 12 August 2004, Resigned 19 September 2005)

Colin John Newton, B.Bus (Acc.), CPA

Mr. Newton was the Company Secretary of Advent Limited from 12 August 2004 to 19 September 2005.

PRINCIPAL ACTIVITIES OF THE CONSOLIDATED ENTITY

The principal activities of the Company and its controlled entities during the financial year were the investment of funds in development capital opportunities in Australia.

In February 1996, the Directors announced that it was in the best interest of Shareholders for the Company to progressively sell each of the investments and return proceeds to Shareholders in the most effective way. As such, the Company has now closed its investment program and realised all investments.

During the financial year there was no other significant change in the nature of those activities.

RESULTS

The net profit of the consolidated entity for the financial year after income tax and outside equity interests was \$5,103,646 (2005: \$1,518,070 loss). The net profit of the parent entity was \$6,434,630 (2005: \$819,212 loss).

DIVIDENDS/DISTRIBUTIONS

In respect of the financial year ended 30 June 2006, an interim dividend of 39.79 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 20 February 2006. The Dividend totalled \$8,496,143. The Directors do not recommend payment of a final dividend in respect of the current financial year.

No franking credits remain as at 30 June 2006 and none are expected to accrue in the future.

REVIEW OF OPERATIONS

During the year, the Company continued the process to realise all investments with a view to returning funds to shareholders as quickly as possible. To this end, the Company announced, during the year, the sale of TR Corporation Pty Ltd and has now announced the sale of all shares the Company held in Vignette Corporation, USA.

A number of issues remain to be resolved before the Company can move to final winding up. These include final resolution of TR Corporation Pty Ltd warranties, final determination of tax returns, costs to wind up the affairs of the Company, realisation of the Tower escrow provision, all necessary regulatory approvals and final realisations of sundry assets and liabilities.

Prior to year end, the Company commenced procedures for the voluntary deregistration of its wholly owned subsidiary, Australian Pacific Technology Limited. This entity has been classified as a discontinued operation as at 30 June 2006.

Subject to costs and realisations currently estimated for wind up of current and estimated assets and liabilities, the expiration and outcome of warranty issues and various tax and other regulatory clearances, the estimated net asset backing of the Company is \$0.94 per share. An update of this estimate will be provided at the annual general meeting or earlier if appropriate.

Further advice and options for realisation are being sought with a view to providing recommendations to shareholders in general meeting subsequent to the expiration of TR Corporation Pty Ltd warranties.

An Interim Dividend of 39.79 cents per share totaling \$8,496,143 was paid to Shareholders on 20 February 2006. The Directors have not declared a final dividend in respect of the 2005/06 year.

Cash Reserves

The Company has sufficient reserves to meet all known commitments through to its winding-up following the completion of the divestment program.

Advent Private Capital Pty Ltd – The Manager

The Manager changed its name during the year to Advent Private Capital Pty Ltd (formerly Advent Management Group Limited).

The Manager continues to work toward maximizing the results for shareholders and continues to allocate the necessary range of resources to the ongoing management of Advent Limited. This will continue until the divestment program is finalised and the Company's affairs are realised.

The Manager continues to accrue fees and this is now capped for the financial year ending 30 June 2007 at \$250,000.

Auditor's qualification

On 1 February 2006, the Company announced the sale of its subsidiary, TR Corporation Pty Ltd, for \$9.0 million. The sale was made jointly to Advent Private Equity Fund I and Advent Private Equity Fund II and was based on an independent valuation provided by PKF Advisory Services (Vic) Pty Ltd.

Accordingly, TR Corporation Pty Ltd is not a subsidiary of the Company as at year end and the results of its operations and the profit on sale are included in the consolidated income statement as "profit from discontinued operations". As the settlement of the TR Corporation Pty Ltd sale was completed on 31 May 2006, all of its related assets and liabilities are no longer included in the consolidated balance sheet at 30 June 2006.

The results of TR Corporation Pty Ltd were subject to review by Pitcher Partners for the six month period ended 31 December 2005, however no audit of the financial statements of TR Corporation Pty Ltd was performed as at or for the seven month period ended 31 January 2006 as the sale price was fixed and not impacted by the results of the company or changes to its balance sheet up until the date of sale.

As a result the group auditors, Deloitte Touche Tohmatsu have qualified their audit report for the year ended 30 June 2006 in respect to the note disclosures and cash flow statement relating to the consolidated entity as the subsidiary financial statements have not been audited up until the point of disposal. Deloitte Touche Tohmatsu have provided an unqualified report on the consolidated income statement for the year ended 30 June 2006 and the consolidated balance sheet as at 30 June 2006. Management have prepared the consolidated financial report and notes thereto of the Company based on the management reports of TR Corporation Pty Ltd up to and as at 31 January 2006 and the Directors are satisfied that the consolidated financial report of Advent presents a true and fair view.

The Directors consider that the note disclosures on the results and operations of TR Corporation Pty Ltd have no material effect on the consolidated income statement for the year ended 30 June 2006 or on the consolidated Balance Sheet as at 30 June 2006.

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in this report and in the financial statements or notes thereto.

SUBSEQUENT EVENTS

As at the date of this report the only significant event has been the translation of the US dollar proceeds of the final sales of Vignette shares to Australian dollars.

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

FUTURE DEVELOPMENTS

Further advice and options for realisation are being sought with a view to providing recommendations to shareholders in general meeting subsequent to the expiration of TR Corporation Pty Ltd warranties.

SHARE OPTIONS

In respect of the Company and the controlled entities, no options over unissued shares were granted during the financial year, and no options have been granted in the period between the end of the financial year and the date of this report.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the Directors and Company Secretary of the Company (as named above), and all Executive Officers of the Company and of any related body corporate against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member). During the financial year nine (9) Board meetings and four Audit and Risk Management Committee meetings were held. The Nomination and Remuneration committee did not sit and there were no changes in the remuneration of directors and officers of the Company.

Directors	Board of Directors		Audit and Risk Management Committee		Nomination and Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
K.J. Croagh	9	9	4	4	–	–
B.F. Ball	9	9	4	4	–	–
R.H. Giles	9	9	4	4	–	–
R.A. Harrington	9	8	4	4	–	–

KEY MANAGEMENT PERSONNEL COMPENSATION

The nomination and remuneration committee reviews the remuneration of all Directors from time to time. Remuneration packages are reviewed with due regard to performance and other relevant factors.

Compensation packages contain the following key elements: Directors fees and Superannuation. There is no performance or equity based compensation as part of compensation for the directors. During the year, the remuneration committee did not sit and there were no changes in the compensation of the directors or officers of the Company in the year.

The following table discloses the remuneration of the Directors of the Company:

	2006			2005		
	Short term	Post Employment	Total	Short term	Post Employment	Total
	Salary & fees	Super-annuation		Salary & fees	Super-annuation	
	\$	\$	\$	\$	\$	\$
Directors						
K.J. Croagh	50,000	–	50,000	50,000	–	50,000
R.H. Giles	30,000	2,700	32,700	30,000	2,700	32,700
B.F. Ball	–	–	–	–	–	–
R.A. Harrington	–	–	–	–	–	–
Total	80,000	2,700	82,700	80,000	2,700	82,700

There are no executives employed by the Company. The company is managed by Advent Private Capital Pty Ltd under the terms of a Management Agreement.

The following table discloses the compensation of the 5 highest remunerated executives of the consolidated entity (executives were employed for the whole of the period for which TR Corporation Pty Ltd (TR) was a member of the consolidated group unless otherwise noted).

The Company disposed of its controlling interest in TR, effective as at 31 January 2006. Compensation of executives is only provided for the period that TR were a controlled entity, being 1 July 2005 to 1 February 2006 inclusive.

Compensation packages contain salary, bonus, non-monetary [motor vehicle] and superannuation benefits. There is no performance or equity based compensation as part of remuneration for the executives other than those specifically noted in the table below.

2006	Short term employee benefits			Post Employment	Total
	Salary & fees	Bonus	Non-monetary	Superannuation	
	\$	\$	\$	\$	\$
Consolidated Entity					
K. Callan	179,586	–	–	7,081	186,667
R. Peak	95,411	6,881	5,425	7,081	114,798
L. Robertson	85,327	–	9,917	6,839	102,083
D. Gallagher	70,719	9,174	12,833	7,190	99,916
R. Lovelock	83,540	4,587	614	6,675	95,416
Total	514,583	20,642	28,789	34,866	598,880

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2005	Short term employee benefits			Post Employment	Total
	Salary & fees	Bonus	Non-monetary	Superannuation	
	\$	\$	\$	\$	\$
Consolidated Entity					
K. Jones	301,709	–	14,813	159,334	475,856
R. Peak <i>(i)</i>	145,215	58,000	13,800	13,985	231,000
R. Lovelock	93,416	–	10,043	49,541	153,000
A. Jamieson	113,761	–	25,000	12,239	151,000
J. Phair	129,679	–	–	10,321	140,000
Total	783,780	58,000	63,656	245,420	1,150,856

(i) A bonus was paid reflecting the period Mr Peak undertook the role of the interim CEO of TR Corporation Pty Ltd throughout the year.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included on page 10 of the financial report.

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of the non-audit services did not impair auditors' independence since, in each case, management of the concerned entity had sufficient expertise to take responsibility for all decisions made associated with these non-audit services. The concerned auditors did not assume the role of an employee or of management of the Company, and thus were not involved in auditing their own work.

Details of amounts paid or payable to the auditor for non-audit services provided during the year, by the auditor, are outlined in note 5 to the financial statements.

CORPORATE GOVERNANCE STATEMENT

The Board has adopted a Board Charter providing for the composition of the Board to be determined using the following principles:

- The Board should comprise at least three Directors, and in any event, the Board shall determine the number of Directors from time to time;
- The chair of the Board should be an independent non-executive Director;
- The Board should comprise a majority of non-executive Directors; and
- The Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities.

Company policy defines an independent Director as a non-executive Director (i.e. not a member of management) who meets the following criteria:

- is not a substantial shareholder or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- within the last three years has not been employed in an executive capacity or been a Director after ceasing to hold such employment with the company;

- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the service provided;
- is not a material supplier/customer, or an officer of or otherwise associated directly or indirectly with a material supplier/customer;
- has no material contractual relationship with the Company other than as a Director of the Company;
- has not served on the Board for a period which could, or could be reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Board considers that Messrs K.J. Croagh and R.H. Giles are independent Directors.

Board Committees

The Company has reviewed the roles and responsibilities of its Board Committees to assist with the implementation of ASX Corporate Governance Best Practice.

These Committees have written Charters that are reviewed on a regular basis. The effectiveness of each Committee is also constantly monitored. The decisions and recommendations of the Board Committees are communicated to the Board at the earliest opportunity, and where necessary decisions are submitted to the full Board for ratification.

Audit and Risk Management Committee

The Audit and Risk Management Committee comprises two non-executive Directors – Mr K.J. Croagh (Chairman) and Mr R.H. Giles – and Mr B.F. Ball an executive Director. The Committee meets at least twice per year and as necessary. The Chief Financial Officer/Company Secretary and external auditor also attend Committee meetings by invitation.

The Committee's key responsibilities and functions are to:

- oversee the Company's relationship with the external auditor and the external audit function generally;
- oversee the preparation of financial statements and reports;
- oversee the Company's financial controls and systems; and
- manage the process of identification and management of financial and commercial risks.

The Board is responsible for the Company's system of internal controls. The Board monitors the operational and financial aspects of the Company's activities and, through the Audit and Risk Management Committee, the Board considers the recommendations and advice of external auditors and other external advisers on the operational and financial risks that face the Company.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of Mr Kevin Croagh (Chairman), Mr Richard Giles and Mr Brian Ball and generally meets once per year or as and when required.

In relation to remuneration, the Committee is responsible for the remuneration arrangements for Directors including the Chairman. To achieve this, the Committee has recourse to independent consultants and market surveys when fulfilling its primary role and determining the remuneration arrangements of Directors and the Chairman.

As at the date of this report the Company has established a Remuneration and Nomination committee consisting of all the Directors. The primary functions of the nomination and remuneration committee are:

- (i) to review the composition of the Board on a periodic basis to ensure that the Board comprises Directors with an appropriate mix of skills and experience; and
- (ii) to review the remuneration of Directors on a periodic basis.

The Remuneration and Nomination Committee also makes recommendations to the Board for the remuneration of non-executive Directors, which is based on advice received from independent consultants and market surveys and always at a level within the aggregate amount approved by shareholders in general meeting. The Directors are responsible for the corporate governance practices of the Company. This statement sets out the main corporate governance practices that were in operation throughout the financial year, except where otherwise indicated.

Retirement benefits are not payable to non-executive Directors.

In relation to its nomination responsibilities, the Remuneration and Nomination Committee establishes criteria for Board membership and reviews Board membership. External advisors may be used to assist in this process. Board membership is reviewed at least annually to ensure an appropriate mix of qualifications, skills and experience. Candidates are appointed by the Board and must stand for election at the next following General Meeting of shareholders (other than the Managing Director).

Thereafter Directors are subject to re-election at least once every three years. The tenure for executive Directors is linked to their holding of executive office.

Conflicts of Interest

In accordance with the Corporations Act 2001 and the Company Constitution, Directors of the Company must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned will not receive the relevant Board papers, and is not present at the meeting of Directors (and thereby does not cast a vote) whilst the item is considered. The Company has developed procedures to assist Directors to disclose potential conflicts of interest and to comply with the business judgement rule.

Ethics and Conduct

The Board requires that the Company sets and maintains exemplary standards of corporate practices and ethics. All Directors are expected to act with the utmost integrity and objectivity, and to endeavour at all times to enhance the reputation and performance of the Company.

The Company's Share Trading Policy restricts the times and circumstances in which Directors and parties legally related to them, may trade in the shares of the Company. Trading is not permitted when Directors possess price sensitive information which has not yet been disclosed to the market.

Shareholder Communication

Shareholders are informed of the activities of the Company through annual and half yearly reports and are encouraged to attend the Annual General Meeting.

Independent Professional Advice

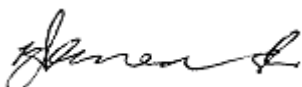
All Directors have the right to seek independent legal and other professional advice (at the Company's expense) concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Continuous Disclosure

The Board has established compliance procedures to ensure that the Company complies with its continuous disclosure objectives under the ASX listing rules and continuous disclosure provisions of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the Corporations Act 2001.


On behalf of the Directors.



K J Croagh

Director

Melbourne, 12 September 2006



R H Giles

Director

12 September 2006

The Board of Directors
Advent Limited
Level 17, HWT Tower
40 City Road
SOUTHBANK VIC 3006

Dear Board Members

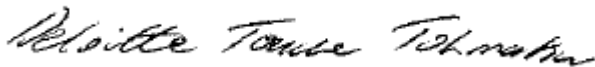
Advent Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Advent Limited.

As lead partner for the audit of the financial statements of Advent Limited for the year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



G J McLean
Partner
Chartered Accountants

Independent audit report to the members of Advent Limited

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, cash flow statement, statement of changes in equity, a summary of significant accounting policies and other explanatory notes and the directors' declaration for both Advent Limited (the company) and the consolidated entity, for the financial year ended 30 June 2006 as set out on pages 13 to 56. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Corporations Act 2001. This includes responsibility for the maintenance of adequate financial 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 have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, 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 form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards in Australia and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations, their changes in equity and their cash flows.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates 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.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

As disclosed in Note 31 to the financial statements, the company sold its investment in its subsidiary, TR Corporation Pty Ltd, on 1 February 2006 and the results of its operations and the gain on disposal of its operations are included in the consolidated income statement and disclosed in aggregate as “profit from discontinued operations”.

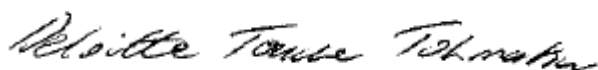
We have not performed an audit of the financial statements of TR Corporation Pty Ltd as at or for the period ended 31 January 2006 and, with the exception of the amount disclosed as “profit from discontinued operations”, we have been unable to obtain sufficient appropriate audit evidence to enable us to form an opinion on the amounts included within the consolidated cash flow statement and Notes 2, 3, 4(b), 5(b), 10, 30, 31 and 34 (b), (c), and (e) for the financial year ended 30 June 2006 in respect to that subsidiary.

Accordingly, we are not in a position to and do not express an opinion on the consolidated cash flow statements and consolidated Notes 2, 3, 4(b), 5(b), 10, 30, 31 and 34 (b), (c), and (e) for the financial year ended 30 June 2006.

Qualified Audit Opinion

In our opinion, except for the effect on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation on the scope referred to in the qualification paragraph not existed, the financial report of Advent Limited is 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 2006 and of their performance for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001.



DELOITTE TOUCHE TOHMATSU



G J McLean
Partner
Chartered Accountants
Melbourne, 12 September 2006

Directors' Declaration

The Directors declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and give a true and fair view of the financial position and performance of the consolidated entity; and
- c) the directors have given the declarations required by section 295A of the Corporations Act.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors.



KJ Croagh

Director

Melbourne 12 September 2006



RH Giles

Director

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Income Statement for the Financial Year Ended 30 June 2006

	Note	Consolidated		Company	
		2006	2005	2006	2005
		\$	\$	\$	\$
Revenue	2	387,408	639,044	387,408	639,044
Other income	2	7,487,457	(2,462,333)	7,487,457	(2,462,333)
Net management fee (accruals)/reversals	2	(2,460,020)	1,620,516	(2,460,020)	1,620,516
Diminution in investments	2	–	(6,985,759)	–	(6,985,759)
Warranty claim expense	2	–	(1,200,000)	–	(1,200,000)
Insurance expense		(86,854)	(3,505)	(86,854)	(3,505)
Finance costs	2	–	–	1,345,504	273,286
Bad Debt (expense)/recovery	2	(9,398)	–	1,378,852	631,839
Other expenses from ordinary activities		(595,027)	(553,419)	(595,027)	(553,419)
Profit / (Loss) before income tax expense		4,723,566	(8,945,456)	7,457,320	(8,040,331)
Income tax benefit/(expense)	3	(1,022,690)	7,221,119	(1,022,690)	7,221,119
Profit/ (Loss) from continuing operations		3,700,876	(1,724,337)	6,434,630	(819,212)
Profit from discontinued operations	31	1,402,770	206,267	–	–
Profit/ (Loss) for the year	24	5,103,646	(1,518,070)	6,434,630	(819,212)
Profit attributable to minority interests		–	–	–	–
Profit/ (Loss) attributable to members of the parent entity		5,103,646	(1,518,070)	6,434,630	(819,212)
Earnings Per Share					
– Basic (cents per share)	25	23.90	(7.11)		
– Diluted (cents per share)	25	23.90	(7.11)		
Earnings Per Share from continuing operations					
– Basic (cents per share)	25	17.33	(8.08)		
– Diluted (cents per share)	25	17.33	(8.08)		

Notes to the financial statements are included on pages 18 to 56

ADVENT LIMITED

Balance Sheet as at 30 June 2006

	Note	Consolidated		Company	
		2006	2005	2006	2005
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	33(a)	18,754,599	3,689,153	18,754,599	2,650,655
Trade and other receivables	6	1,902,612	6,203,762	1,902,612	–
Inventories	7	–	1,081,372	–	–
Other financial assets	8	1,556,128	1,616,348	1,556,128	1,986,498
Total Current Assets		22,213,339	12,590,635	22,213,339	4,637,153
Non-Current Assets					
Trade and other receivables	9	–	–	–	8,277,357
Property, plant and equipment	10	–	17,997,663	–	–
Other non current financial assets	11	–	14,862,111	–	14,862,111
Deferred tax assets	12	–	467,165	–	–
Total Non-Current Assets		–	33,327,939	–	23,139,468
Total Assets		22,213,339	45,917,574	22,213,339	27,776,621
Current Liabilities					
Trade and other payables	13	256,425	7,574,829	256,425	3,456,954
Borrowings	14	–	4,715,086	–	–
Current tax payables	15	–	272,099	–	300,876
Provisions	16	1,200,000	1,805,740	1,200,000	1,200,000
Total Current Liabilities		1,456,425	14,367,754	1,456,425	4,957,830
Non-Current Liabilities					
Borrowings	18	–	6,615,712	–	–
Deferred tax liabilities	19	–	441,494	–	364
Provisions	20	–	425,300	–	–
Total Non-Current Liabilities		–	7,482,506	–	364
Total Liabilities		1,456,425	21,850,260	1,456,425	4,958,194
Net Assets		20,756,914	24,067,314	20,756,914	22,818,427
Equity					
Issued capital	22	14,945,071	14,945,071	14,945,071	14,945,071
Reserves	23	–	(82,097)	–	–
Retained earnings	24	5,811,843	9,204,340	5,811,843	7,873,356
Total Equity		20,756,914	24,067,314	20,756,914	22,818,427

Notes to the financial statements are included on pages 18 to 56

Statement of changes in equity for the year ended 30 June 2006

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
Issued Capital				
Issued capital at the beginning of the year	14,945,071	14,945,071	14,945,071	14,945,071
Issued capital during the current year	–	–	–	–
Total issued share capital	<u>14,945,071</u>	<u>14,945,071</u>	<u>14,945,071</u>	<u>14,945,071</u>
Reserves				
Foreign currency translation reserve (Consolidated) and share forfeiture reserve (Company)				
Reserves at the beginning of the year	(82,097)	98,915	–	3,600
Exchange differences on translating foreign operations	(46,571)	(181,012)	–	–
Transfer to retained profits	–	–	–	(3,600)
Reversal of foreign currency translation reserve on disposal of subsidiary	128,668	–	–	–
Foreign currency translation reserve at the end of the year	<u>–</u>	<u>(82,097)</u>	<u>–</u>	<u>–</u>
Retained Earnings				
Retained earnings at the beginning of the year	9,204,340	14,282,787	7,873,356	12,318,435
Net profit attributable to members of the parent entity	5,103,646	(1,518,070)	6,434,630	(819,212)
Dividends	(8,496,143)	(3,629,467)	(8,496,143)	(3,629,467)
Aggregate of amounts transferred from reserves	–	69,090	–	3,600
Retained profits at the end of the year	<u>5,811,843</u>	<u>9,204,340</u>	<u>5,811,843</u>	<u>7,873,356</u>
Recognised income/ (expense)				
Exchange differences on translating foreign operations	(46,571)	(181,012)		
Reversal of foreign currency translation reserve on disposal of subsidiary	128,668	–	–	–
Profit/ (loss) for the year	<u>5,103,646</u>	<u>(1,518,070)</u>	<u>6,434,630</u>	<u>(819,212)</u>
Total recognised income/(expense) for the year	<u>5,185,743</u>	<u>(1,699,082)</u>	<u>6,434,630</u>	<u>(819,212)</u>
Attributable to:				
Equity holders of the parent	5,185,743	(1,699,082)	6,434,630	(819,212)
Minority interests	–	–	–	–
	<u>5,185,743</u>	<u>(1,699,082)</u>	<u>6,434,630</u>	<u>(819,212)</u>

Notes to the financial statements are included on pages 18 to 56

ADVENT LIMITED

Cash Flow Statement for the Financial Year Ended 30 June 2006

	Consolidated		Company	
	Inflows (Outflows)		Inflows (Outflows)	
	2006	2005	2006	2005
Note	\$	\$	\$	\$
Cash Flows From Operating Activities				
Receipts from customers	45,347,224	27,110,306	20,511,711	–
Payments to suppliers and employees	(28,612,531)	(26,163,858)	(6,454,010)	(3,019,914)
Interest received	417,962	696,185	387,408	660,749
Interest and other costs of finance paid	(493,743)	(832,818)	(9,398)	(2,074)
Income tax (paid)	(1,037,938)	(2,964,308)	(996,735)	(2,886,837)
Net cash provided by/(used in) operating activities	34(e) 15,620,974	(2,154,493)	13,438,976	(5,248,076)
Cash Flows From Investing Activities				
Proceeds on sale / redemption of investments	10,873,254	–	–	–
Payment for property, plant and equipment	(1,227,239)	(299,720)	–	–
Proceeds from sale of property, plant and equipment	15,000	37,325	–	–
Proceeds from repayment of related party receivables	–	–	11,161,111	1,253,278
Payment for acquisition of business	(2,520,384)	(2,572,319)	–	–
Amounts advanced to related parties	–	–	–	(1,500,000)
Net cash provided by/(used in) investing activities	7,140,631	(2,834,714)	11,161,111	(246,722)
Cash Flows From Financing Activities				
Proceeds from issues of equity securities	1,031,021	–	–	–
Proceeds from borrowings	3,200,000	1,500,000	–	–
Repayment of borrowings	(2,447,118)	(3,014,370)	–	–
Dividends Paid	(8,496,143)	(3,629,467)	(8,496,143)	(3,629,467)
Net cash (used in) financing activities	(6,712,240)	(5,143,837)	(8,496,143)	(3,629,467)
Net Increase/(Decrease) In Cash Held	16,049,365	(10,133,044)	16,103,944	(9,124,265)
Cash At The Beginning Of The Financial Year				
Effects of exchange rate changes on the balance of cash held in foreign currencies	–	–	–	–
Cash At The End Of The Financial Year	34(a) 18,754,599	2,705,234	18,754,599	2,650,655

Notes to the financial statements are included on pages 18 to 56

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

1. Summary of Accounting Policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards ('IFRS'). The parent entity financial statements and notes also comply with IFRS except for the disclosure requirements in IAS 32 'Financial Instruments: Disclosure and Presentation' as the Australian equivalent standard, AASB 132 'Financial Instruments: Disclosure and Presentation' does not require such disclosures to be presented by the parent entity where its separate financial statements are presented together with the consolidated financial statements of the consolidated entity.

The financial statements were authorised for issue by the directors on 12 September 2006.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The consolidated entity changed its accounting policies on 1 July 2005 to comply with AIFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the company's and consolidated entity's financial position, financial performance and cash flows is discussed in note 36.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the year ended 30 June 2005, and in the preparation of the opening AIFRS balance sheet at 1 July 2004 (as disclosed in note 36), the consolidated entity's date of transition.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

1. Summary of Accounting Policies (cont'd)

(a) **Borrowings**

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate.

(b) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) **Employee Benefits**

Provision is made for benefits arising in respect to wages and salaries, annual leave and long service leave when it is probable settlement will be required and they are capable of being measured reliably.

Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(d) **Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

(e) **Receivables**

Trade receivables and other receivables are recorded at amortised cost less impairment.

(f) **Property, rental assets, plant and equipment**

Cost and Valuation

All classes of fixed assets are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. Refer to note 1(i).

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets are:

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

1. Summary of Accounting Policies (cont'd)

Class of fixed asset	Depreciation rates	Depreciation basis
Rental assets	6-25%	Straight line
Leasehold improvements	5-20%	Straight line
Plant and equipment	10-25%	Straight line
Software	20-48%	Straight line
Motor vehicles	18-22.5%	Diminishing value
Office equipment	5-48%	Straight line

(g) **Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Lease

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferable to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording at the inception of the lease an asset and liability equal to the present value of the minimum lease payments, and disclosed as plant and equipment under lease.

Lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Lease payments are allocated between interest expense and reduction of the lease liability. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the Income Statement.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(h) **Intangibles**

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

1. Summary of Accounting Policies (cont'd)

(i) *Impairment of assets*

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) *Taxes*

Income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts within the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. In addition, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in the income statement except when it is attributable to amounts recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

1. Summary of Accounting Policies (cont'd)

Tax Consolidation

The company and all its wholly-owned Australian resident entities were part of a tax-consolidated group under Australian taxation law up to 30 September 2005, when its controlled entity, TR Corporation Pty Ltd issued shares to third parties. Advent Limited was the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group were recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group were recognised by the company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts were recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period was different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference was recognised as a contribution from (or distribution to) equity participants.

(k) **Financial assets**

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and Receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Held-to-maturity investments

Fixed term investments intended to be held to maturity are classified as held-to-maturity investments. They are measured at amortised cost using the effective interest rate method.

Financial assets at fair value through profit or loss

The consolidated entity has classified certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated as fair value, with any resultant gain or loss recognised in profit or loss. The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to the quoted market prices; and
- The fair value of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

1. Summary of Accounting Policies (cont'd)

Available-for-sale financial assets

Certain shares and convertible notes held by the consolidated entity are classified as being available-for-sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit or loss for the period.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or the amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal repayments and amortisation.

(l) **Foreign currencies**

Functional and presentation currency

The financial statements of each group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, as this is the parent entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date are translated using the spot rate at the end of the reporting period.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Group Companies

The financial statements of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at period end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve as a separate component of equity in the balance sheet.

(m) **Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

1. Summary of Accounting Policies (cont'd)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The GST component of cash flows are included in the statement of cash flows on a gross basis.

The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(n) **Revenue**

Sale of goods

Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of contract.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(o) **Principles of Consolidation**

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 "Consolidated and Separate Financial Statements". Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity. In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(p) **Comparatives**

In accordance with the first-time adoption of A-IFRS, comparative information has been reclassified where appropriate through retrospective application of A-IFRS to the previous year results so as to achieve consistency with current year disclosures.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
2. Profit/(Loss) from operations				
(a) Operating Revenue				
Revenue from continuing and discontinued operations consisted of the following items:				
Revenue from the sale of goods	10,329,793	3,698,580	–	–
Revenue from the rendering of services	–	–	–	–
	10,329,793	3,698,580	–	–
Rental revenue	13,947,615	17,942,914	–	–
	13,947,615	17,942,914	–	–
Interest revenue:				
Bank deposits	407,359	1,333,361	387,408	639,044
	407,359	1,333,361	387,408	639,044
Other	180,774	–	–	–
	24,865,541	22,974,855	387,408	639,044
Attributable to:				
Continuing operations	387,408	639,044	387,408	639,044
Discontinued operations	24,478,133	22,335,811	–	–
	24,865,541	22,974,855	387,408	639,044
(b) Profit before income tax				
Profit/ (loss) before income tax has been arrived at after crediting/ (charging) the following gains and losses from continuing and discontinued operations				
Gain/ (loss) on disposal of property, plant and equipment	1,945	107,958	–	–
Profit / (loss) on sale of investments	8,293,933	–	7,222,092	–
	8,295,878	107,958	7,222,092	–
Net foreign exchange gain/ (loss)	265,365	(2,462,333)	265,365	(2,462,333)
Reversal of foreign currency translation reserve on disposal of subsidiary	(128,668)	–	–	–
	136,697	(2,462,333)	265,365	(2,462,333)
	8,432,575	(2,354,375)	7,487,457	(2,462,333)
Gains attributable to:				
Continuing operations	7,487,457	–	7,487,457	–
Discontinued operations	1,073,786	107,958	–	–
	8,561,243	107,958	7,487,457	–

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
2. Profit/(Loss) from operations (cont'd)				
Losses attributable to:				
Continuing operations	–	(2,462,333)	–	(2,462,333)
Discontinued operations	(128,668)	–	–	–
	(128,668)	(2,462,333)	–	(2,462,333)
	8,432,575	(2,354,375)	7,487,457	(2,462,333)
(c) Profit/ (loss) before income tax has been arrived at after charging the following expenses. The line items below combine amounts attributable to both continuing operations and discontinued operations:				
Cost of sales	(9,264,852)	(5,129,723)	–	–
Finance costs				
Other interest expense	(700,419)	(830,512)	–	–
Other finance costs	–	–	1,345,504	273,286
Management Fees and Payments:				
Fees paid to Advent Management Group	(524,256)	(493,229)	(524,256)	(493,229)
Manager's incentive (accruals)/reversals	(1,935,765)	2,113,745	(1,935,765)	2,113,745
	(2,460,021)	1,620,516	(2,460,021)	1,620,516
Net bad and doubtful debts recovered/ (expense)				
Subsidiaries	–	–	1,378,852	631,839
Other entities	(130,787)	(118,649)	–	–
Diminution in investments	–	(6,985,759)	–	(6,985,759)
Warranty claim expense	–	(1,200,000)	–	(1,200,000)
Depreciation of non-current assets	(2,563,897)	(3,834,559)	–	–
Employee benefit expense	(6,515,542)	(7,037,343)	–	–
Post employment benefits	(616,483)	(636,273)	–	–
Defined contribution plans	–	–	–	–
Operating lease rental expense				
Minimum lease payments	(1,998,164)	(2,141,318)	–	–
Goods & Services Tax	(55,424)	(86,641)	(55,424)	(86,819)
ASX Listing fees & Share registry costs	(22,561)	(30,358)	(22,561)	(30,358)
	(77,985)	(116,999)	(77,985)	(117,177)

**Notes to the Financial Statements
for the Financial Year Ended 30 June 2006**

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
3. Income Tax				
Income tax recognised in profit or loss				
Current tax expense/ (benefit)	(259,110)	184,694	(238)	167,812
Franking deficits tax	292,664	–	292,664	–
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period that is used to reduce:				
- deferred tax expense/ (benefit)	–	211,442	–	–
Adjustments recognised in the current year in relation to the current tax of prior years	360,238	(5,892,982)	360,238	(5,915,099)
Deferred tax expense/ (benefit) relating to the origination and reversal of temporary differences	51,880	(1,473,832)	–	(1,473,832)
Write downs of deferred tax assets	370,026	–	370,026	–
Total tax expense/ (benefit)	815,698	(6,970,678)	1,022,690	(7,221,119)
Attributable to:				
Continuing operations	1,022,690	(7,221,119)	1,022,690	(7,221,119)
Discontinued operations	(206,992)	250,441	–	–
	815,698	(6,970,678)	1,022,690	(7,221,119)
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:				
Profit/(loss) from continuing operations	4,723,570	(8,945,456)	7,457,324	(8,040,331)
Profit/(loss) from discontinued operations	1,195,778	456,708	–	–
Profit from operations	5,919,348	(8,488,748)	7,457,324	(8,040,331)
Income tax expense calculated at 30%	1,775,804	(2,546,624)	2,237,197	(2,412,099)
Investment revaluations	–	2,741,052	–	2,846,052
Non-deductible expense	(1,369,760)	23,240	(4,240,258)	21,740
Non-assessable income	–	(11,625)	–	(93,610)
Previously unrecognised deferred tax assets	–	(211,442)	–	–
Deferred tax liabilities reversed subsequent to the adoption of A-IFRS	–	(1,473,832)	–	(1,473,832)
Write-off of deferred tax assets not likely to be recoverable in the future	–	–	2,003,062	–
Franking deficit tax	292,664	–	292,664	–
Tax balances written off from consolidated tax group on tax deconsolidation	(39,688)	–	369,787	–
Other	(203,560)	401,535	–	(194,271)
	455,460	(1,077,696)	662,452	(1,306,020)
(Over)/under provision of income tax in the previous year	360,238	(5,892,982)	360,238	(5,915,099)
Total tax expense/ (benefit)	815,698	(6,970,678)	1,022,690	(7,221,119)

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

3. Income Tax (cont'd)

Tax Consolidation System

Legislation to allow groups, comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantively enacted on 21 October 2002.

The company and its wholly-owned Australian resident entities were eligible to consolidate for tax purposes under this legislation and have elected to be tax as a single entity from 1 July 2003. The implementation of the tax consolidation system has been formally notified to the Australia Taxation Office. The head entity within the tax consolidated group for the purposes of the tax consolidation system was Advent Limited.

Entities within the tax consolidated group had entered into a tax sharing agreement with the head entity. Under the terms of this agreement, Advent Limited and each of the entities in the tax consolidated group has agreed to pay (at Advent Limited's discretion) a tax equivalent payment to or from the head entity, based on the net accounting profit or loss of the entity and the current tax rate. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group.

Tax consolidation of TR Corporation Pty Ltd ceased on 30 September 2005 on the sale of shares to employees and for Australian Pacific Technology Limited on 30 June 2006.

4. Key Management Personnel Compensation

Details of key management personnel

The key management personnel of Advent Limited and its controlled entities during the financial year were:

- K.J Croagh (Director – Advent Limited)
- R.H Giles (Director – Advent Limited)
- B.F Ball (Director – Advent Limited)
- R.A Harrington (Director – Advent Limited)
- K. Callan (Chief Executive Officer – TR Corporation Pty Ltd), appointed 10 June 2005
- R. Peak (Chief Financial Officer – TR Corporation Pty Ltd)
- L. Robertson (Group Sales Manager), appointed 2 May 2005
- D. Gallagher (Group Manager - BearComm),
- R. Lovelock (Group Manager – IT Systems)
- K. Jones (Chief Executive Officer – TR Corporation Pty Ltd), resigned 18 February 2005
- A. Jamieson (Group Manager – TR Corporation Pty Ltd, Vidcom)
- J. Phair (Group Sales Manager), resigned 16 June 2006

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

4. Key Management Personnel Compensation (cont'd)

Key management personnel compensation policy

The nomination and remuneration committee reviews the remuneration of all key management personnel from time to time. Remuneration packages are reviewed with due regard to performance and other relevant factors.

Compensation packages contain the following key elements: Fees and Superannuation. There is no performance or equity based compensation as part of compensation for the key management personnel. During the year, the remuneration committee did not sit and there were no changes in the compensation of the directors or officers of the Company in the year.

Key management personnel compensation

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below:

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
Short term employee benefits	644,014	985,436	80,000	80,000
Post employment benefits	37,566	248,120	2,700	2,700
Termination benefits	–	–	–	–
Share based payments	–	–	–	–
	681,580	1,233,556	82,700	82,700

The compensation of each member of the key management personnel of the company and consolidated entity is set out below:

4 (a). Key management personnel compensation - Advent Limited

	2006			2005		
	Short term	Post Employment	Total	Short term	Post Employment	Total
	Salary & fees	Super-annuation		Salary & fees	Super-annuation	
	\$	\$	\$	\$	\$	\$
Company						
K.J. Croagh	50,000	–	50,000	50,000	–	50,000
R.H. Giles	30,000	2,700	32,700	30,000	2,700	32,700
B.F. Ball	–	–	–	–	–	–
R.A. Harrington	–	–	–	–	–	–
Total	80,000	2,700	82,700	80,000	2,700	82,700

There are no executives employed by the Company. The company is managed by Advent Private Equity Pty Ltd under the terms of a Management Agreement.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

4. (b) Key management personnel compensation – TR Corporation Pty Ltd

The following table discloses the remuneration of the key management personnel of TR Corporation Pty Ltd. Key management personnel were employed for the whole of the period for which TR Corporation Pty Ltd was a member of the consolidated group unless otherwise noted.

The Company disposed of its controlling interest in TR Corporation Pty Ltd (TR), effective as at 31 January 2006. Remuneration of executives is only provided for the period that TR were a related entity, being 1 July 2005 to 31 January 2006 inclusive.

2006	Short term			Post Employment	Total
	Salary & fees	Bonus	Non-monetary	Superannuation	
	\$	\$	\$	\$	\$
Consolidated Entity					
K. Callan (Chief Executive Officer)	179,586	–	–	7,081	186,667
R. Peak (Chief Financial Officer)	95,411	6,881	5,425	7,081	114,798
L. Robertson (Manager)	85,327	–	9,917	6,839	102,083
D. Gallagher (Manager)	70,719	9,174	12,833	7,190	99,916
R. Lovelock (Manager)	83,540	4,587	614	6,675	95,416
Total	514,583	20,642	28,789	34,866	598,880

2005	Short term			Post Employment	Total
	Salary & fees	Bonus	Non-monetary	Superannuation	
	\$	\$	\$	\$	\$
Consolidated Entity					
K. Jones 1 July 2004 – 18 Feb 2005 (Chief Executive Officer)	301,709	–	14,813	159,334	475,856
R. Peak (i) (Chief Financial Officer)	145,215	58,000	13,800	13,985	231,000
R. Lovelock (Manager)	93,416	–	10,043	49,541	153,000
A. Jamieson (Manager)	113,761	–	25,000	12,239	151,000
J. Phair (Manager)	129,679	–	–	10,321	140,000
Total	783,780	58,000	63,656	245,420	1,150,856

(i) A bonus was paid reflecting the period Mr Peak undertook the role of the interim CEO of TR Corporation Pty Ltd throughout the year.

**Notes to the Financial Statements
for the Financial Year Ended 30 June 2006**

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
5. Remuneration of Auditors				
(a) Auditor of the Parent Entity *				
Auditing or review of the financial report	72,330	71,600	72,330	71,600
Taxation services	140,350	60,159	140,350	60,159
Audit – A-IFRS	60,956	–	60,956	–
Audit of Continuing Performance				
Payments	4,500	–	4,500	–
	<u>278,136</u>	<u>131,759</u>	<u>278,136</u>	<u>131,759</u>
(b) Other Auditors**				
Auditing or review of the financial report	74,386	71,568	–	–
Taxation services	37,563	32,850	–	–
	<u>111,949</u>	<u>104,418</u>	<u>–</u>	<u>–</u>
	<u>390,085</u>	<u>236,177</u>	<u>278,136</u>	<u>131,759</u>
* Deloitte Touche Tohmatsu				
** Pitcher Partners (auditors of TR Corporation Pty Ltd)				
6. Current Receivables				
Trade receivables	1,848,312	4,918,957	1,848,312	–
Allowance for doubtful debts	–	(81,498)	–	–
	<u>1,848,312</u>	<u>4,837,459</u>	<u>1,848,312</u>	<u>–</u>
Unbilled income	–	234,199	–	–
Sundry receivables	–	1,130,357	–	–
Tax amounts receivable	54,300	–	54,300	–
Interest receivable	–	1,747	–	–
	<u>1,902,612</u>	<u>6,203,762</u>	<u>1,902,612</u>	<u>–</u>
7. Current Inventories				
Rental Equipment	–	1,081,372	–	–
8. Other Current Financial Assets				
Prepayments	–	17,090	–	17,090
Other receivables	1,556,128	1,599,258	1,556,128	1,969,408
	<u>1,556,128</u>	<u>1,616,348</u>	<u>1,556,128</u>	<u>1,986,498</u>
9. Non-Current Receivables				
Loan to entities in the wholly owned group	–	–	–	8,277,357
	<u>–</u>	<u>–</u>	<u>–</u>	<u>8,277,357</u>

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

10. Property, Plant and Equipment

	Consolidated			
	Leasehold Improvements \$	Rental Equipment \$	Plant and Equipment \$	TOTAL \$
Gross carrying amount				
Balance at 1 July 2004	508,142	26,843,575	3,373,741	30,725,458
Additions	12,425	6,056,063	168,779	6,237,267
Disposals	(830)	(5,257,856)	(113,005)	(5,371,691)
Acquisitions through business combinations	–	1,485,894	456,850	1,942,744
Net foreign currency differences	(48)	(1,620)	(9,414)	(11,082)
Balance at 1 July 2005	519,689	29,126,056	3,876,951	33,522,696
Additions	491,606	5,332,335	873,499	6,697,440
Disposals	–	(3,552,728)	(106,800)	(3,659,528)
Net foreign currency differences	(481)	17,823	5,127	23,430
Disposal of assets on sale of TR Corporation Pty Ltd	(1,011,776)	(30,923,485)	(4,648,778)	(36,584,039)
Balance at 30 June 2006	–	–	–	–
Accumulated depreciation/amortisation and impairment				
Balance at 1 July 2004	(257,884)	(11,980,042)	(2,928,972)	(15,166,898)
Disposals	614	3,267,666	198,722	3,467,002
Depreciation expense	(40,762)	(3,535,701)	(258,096)	(3,834,559)
Net foreign currency differences	15	999	8,408	9,423
Balance at 1 July 2005	(298,016)	(12,247,078)	(2,979,938)	(15,525,032)
Disposals	–	2,574,981	81,354	2,656,335
Depreciation expense	(32,580)	(2,432,317)	(99,001)	(2,563,897)
Net foreign currency differences	(174)	(7,710)	(4,598)	(12,482)
Disposal of assets on sale of TR Corporation Pty Ltd	330,770	12,112,125	3,002,182	15,445,077
Balance at 30 June 2006	–	–	–	–
Net Book Value				
As at 30 June 2005	221,673	16,878,977	897,013	17,997,662
As at 30 June 2006	–	–	–	–

The company holds no property, plant & equipment.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
10. Property, Plant and Equipment (cont'd)				
Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:				
Leasehold Improvements	32,580	40,762	–	–
Rental Equipment	2,432,517	3,535,701	–	–
Plant and equipment	99,001	258,096	–	–
	<u>2,563,897</u>	<u>3,834,559</u>	<u>–</u>	<u>–</u>
This table includes rental equipment that is leased to customers as part of the ongoing operations of TR Corporation Pty Ltd.				
11 Other non current financial assets				
Shares in other corporations at fair value	–	14,862,111	–	14,862,111
	<u>–</u>	<u>14,862,111</u>	<u>–</u>	<u>14,862,111</u>
12. Deferred tax assets				
Deferred tax assets	–	467,165	–	–
	<u>–</u>	<u>467,165</u>	<u>–</u>	<u>–</u>
13. Current Trade and other Payables				
Trade payables	172,132	3,252,375	172,132	–
Accrued charges and other payables	84,293	1,016,129	84,293	150,629
Manager Incentive Payment	–	3,306,325	–	3,306,325
	<u>256,425</u>	<u>7,574,829</u>	<u>256,425</u>	<u>3,456,954</u>

**Notes to the Financial Statements
for the Financial Year Ended 30 June 2006**

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
14. Current Borrowings				
Secured				
Bank overdraft (i)	–	983,919	–	–
Bills of exchange (i)	–	1,000,000	–	–
Hire purchase liabilities (ii) (note 28)	–	2,731,167	–	–
	–	4,715,086	–	–
(i) Secured by a first ranking fixed and floating charge given by the related entity and a guarantee and indemnity provided by its controlled entities.				
(ii) Effectively secured over the assets under hire purchase, the current market value of which exceeds the value of the hire purchase liability.				

15. Current Tax Payables				
Income tax payable	–	272,099	–	300,876

16. Current Provisions				
Provision for Warranty	1,200,000	1,200,000	1,200,000	1,200,000
Employee benefits (note 21)	–	605,740	–	–
	1,200,000	1,805,740	1,200,000	1,200,000

	Consolidated	
	Warranty	Employee Benefits
	\$	\$
Balance at 1 July 2005	1,200,000	1,031,040
Additional provisions recognised	–	–
Reductions arising from payments/ other sacrifices of future economic benefits	–	–
Disposal on sale of TR Corporation Pty Ltd	–	(1,031,040)
Balance at 30 June 2006	1,200,000	–

	Company
	Warranty
	\$
Balance at 1 July 2005	1,200,000
Additional provisions recognised	–
Reductions arising from payments/ other sacrifices of future economic benefits	–
Balance at 30 June 2006	1,200,000

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
23. Reserves				
(a) Reserves comprise:				
Asset revaluation	–	–	–	–
Foreign currency translation	–	(82,097)	–	–
Forfeited share reserve	–	–	–	–
	–	(82,097)	–	–
(b) Movements in Reserves				
Asset revaluation reserve				
Balance at beginning of financial year	–	65,490	–	–
Transfer to retained profits	–	(65,490)	–	–
Balance at end of financial year	–	–	–	–
The asset revaluation reserve arises on the revaluation of non-current assets. Where a revalued asset is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred to retained profits.				
Foreign currency translation reserve				
Balance at beginning of financial year	(82,097)	98,915	–	–
Exchange differences on translation of foreign operations	(46,571)	(181,012)	–	–
Reversal of foreign currency translation reserve on disposal of subsidiary	128,668	–	–	–
Balance at end of financial year	–	(82,097)	–	–
Exchange differences relating to the translation from Malaysian Ringgit and New Zealand dollars, being the functional currency of the TR Corporation Pty Ltd's foreign controlled entities in Malaysia and New Zealand, into Australian dollars, are brought to account by entries made directly to the foreign currency translation reserve.				
Forfeited shares reserve				
Balance at beginning of financial year	–	3,600	–	3,600
Transfer to retained profits	–	(3,600)	–	(3,600)
Balance at end of financial year	–	–	–	–

Transfer of forfeited shares reserve on the realisation of Western Pacific Investment Company Limited.

**Notes to the Financial Statements
for the Financial Year Ended 30 June 2006**

	Consolidated		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
24. Retained Profits				
Balance at beginning of financial year	9,204,340	14,282,787	7,873,356	12,318,435
Net profit/(loss)	5,103,646	(1,518,070)	6,434,630	(819,212)
Dividends provided for or paid	(8,496,143)	(3,629,467)	(8,496,143)	(3,629,467)
Aggregate of amounts transferred from reserves	—	69,090	—	3,600
Balance at end of financial year	<u>5,811,843</u>	<u>9,204,340</u>	<u>5,811,843</u>	<u>7,873,356</u>

	2006	2005
	Cents per Share	Cents per Share
25. Earnings per Share		
Basic earnings per share		
From continuing operations	17.33	(8.08)
From discontinued operations	6.57	0.97
Total basic earnings per share	23.90	(7.11)
Diluted earnings per share		
From continuing operations	17.33	(8.08)
From discontinued operations	6.57	0.97
Total basic earnings per share	23.90	(7.11)

Basic and Diluted Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2006	2005
	\$	\$
Earnings (a)	<u>5,103,646</u>	<u>(1,518,070)</u>
Earnings from continuing operations	<u>3,700,876</u>	<u>(1,724,337)</u>
	2006	2005
	No.	No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>21,349,810</u>	<u>21,349,810</u>

(a) Earnings used in the calculation of total basic earnings per share, total diluted earnings per share, diluted earnings per share and basic earnings per share from continuing operations reconciles to net profit/ (loss) in the income statement as follows:

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

25. Earnings per Share (cont'd)

	2006	2005
	\$	\$
Net profit/ (loss)	5,103,646	(1,518,070)
Earnings used in the calculation of basic EPS	5,103,646	(1,518,070)
Adjustments to exclude profit for the period from discontinued operations	1,402,770	206,267
Earnings used in the calculation of basic EPS from continuing operations	3,700,876	(1,724,337)

26. Dividends and Distributions

	2006		2005	
	Cents per Share	Total \$	Cents per Share	Total \$
Interim dividend –franked to 30%	40	8,496,143	17	3,629,467
Final Dividend	–	–	–	–
	40	8,496,143	17	3,629,467

	Company	
	2006	2005
	\$	\$
Adjusted franking account balance (tax paid basis)	–	2,690,783

27. Contingent Liabilities

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
Bank guarantees have been provided to support rental premises and credit facilities for the controlled entity	–	378,125	–	–

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

28. Leases

Finance Leases

Leasing arrangements

Finance leases relate to rental equipment with lease terms of 5 years. The consolidated entity has options to purchase the equipment for a nominal value at the conclusion of the lease agreements

	Minimum future lease payments				Present value of minimum future lease payments			
	Consolidated		Company		Consolidated		Company	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$
No later than 1 year	-	2,913,452	-	-	-	2,731,167	-	-
Later than 1 year and not later than 5 years	-	901,238	-	-	-	865,712	-	-
Later than 5 years	-	-	-	-	-	-	-	-
Minimum lease payments	-	3,814,690	-	-	-	3,596,879	-	-
Less future finance charges	-	(217,811)	-	-	-	-	-	-
Present value of minimum lease payments	-	3,596,879	-	-	-	3,596,879	-	-
Included in the financial statements as:								
Current borrowings (note 14)					-	2,731,167	-	-
Non current borrowings (note 18)					-	865,712	-	-
					-	3,596,879	-	-

Operating Leases

Leasing arrangements

Operating leases relate to rent of properties. All operating lease contracts contain market review clauses in the event that the consolidated entity exercises its option to renew. The consolidated entity does not have an option to purchase the leased asset at the expiry of the lease period.

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
Non-cancellable operating leases				
Not longer than 1 year	680,321	512,237	-	-
Longer than 1 year and not longer than 5	1,317,843	1,629,081	-	-
Longer than 5 years	-	-	-	-
	1,998,164	2,141,318	-	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

29. Subsidiaries

Name Of Entity	Country of Incorporation	Ownership Interest	
		2006 %	2005 %
Parent Entity			
Advent Limited	Australia		
Controlled Entities			
Australian Pacific Technology Limited (i)	Australia	-	100
TR Corporation Pty Ltd (formerly Tech-Rentals Pty. Ltd). (ii) (iii)	Australia	-	100
Tech-Rentals (New Zealand) Ltd. (iii)	New Zealand	-	100
Tech-Rentals (Malaysia) Sdn. Bdh. (iii)	Malaysia	-	100
TR Telecom Pty.Ltd. (iii)	Australia	-	100

(i) In the process of de-registration.

(ii) The TR Corporation Pty Ltd group was consolidated on the basis that a controlled entity of the parent entity had the capacity to control the board of TR Corporation Pty Ltd due to its share of ownership of the company up until its date of disposal on 1 February 2006. Refer note 31.

(iii) Not audited by Deloitte Touche Tohmatsu.

30. Segment Information

Information on Business Segments (primary reporting format)

Segment Revenues

	External Sales		Inter-Segment (i)		Other		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$
Development Capital	-	-	-	-	-	-	-	-
Equipment Rental	24,277,408	22,258,972	568,290	671,110	1,945	40,632	24,847,643	22,970,214
Total of all Segments							<u>24,847,643</u>	<u>22,970,214</u>
Eliminations							(568,290)	(671,110)
Unallocated							586,188	675,251
Consolidated							<u>24,865,541</u>	<u>22,974,855</u>

(i) Inter-segment sales are recorded at amounts equal to competitive market prices charged to external customers for similar goods.

**Notes to the Financial Statements
for the Financial Year Ended 30 June 2006**

	2006	2005
	\$	\$
30. Segment Information (cont'd)		
Segment Results		
Continuing operations		
Development capital	7,457,320	(8,313,631)
Total of all Segments	7,457,320	(8,313,631)
Unallocated		
Eliminations	(2,733,754)	(631,835)
Profit/(loss) before income tax expense	4,723,566	(8,945,466)
Income tax (Expense)/ Benefit	(1,022,690)	7,221,129
Profit/(loss) for the year from continuing operations	3,700,876	(1,724,337)
Discontinued operations		
Development capital	5,994,148	440,959
Equipment rental	1,027,123	1,218,727
Total of all Segments	7,021,271	1,659,686
Unallocated	(691,021)	(830,512)
Eliminations	(5,134,472)	(372,024)
Profit from discontinued operations before income tax expense	1,195,778	456,150
Income tax (Expense)/ Benefit	206,992	(250,883)
Profit/(loss) for the year from discontinued operations	1,402,770	206,267
Profit/(loss) for the year	5,103,646	(1,518,070)

Segment Assets & Liabilities

	Assets		Liabilities	
	2006	2005	2006	2005
	\$	\$	\$	\$
Development Capital	22,213,339	43,654,419	1,413,510	19,638,293
Equipment Rental	–	27,883,951	–	19,904,483
Total of all segments	22,213,339	71,538,370	1,413,510	39,542,776
Unallocated	–	–	–	–
Eliminations	–	(25,620,796)	–	-17,692,516
Consolidated	22,213,339	45,917,574	1,413,510	21,850,260

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

30. Segment Information (cont'd)

Other Segment Information

	Development Capital		Equipment Rental & Sales	
	2006	2005	2006	2005
	\$	\$	\$	\$
Acquisition of segment assets	–	–	3,606,441	8,180,011
Depreciation and amortisation of segment assets	–	–	2,563,897	3,834,559

Products and Services within Each Business Segment

For disclosure purposes, the consolidated entity has been separated into two major operating divisions: Development Capital and Equipment Rental & Sales. These divisions are the basis on which the consolidated entity reports its primary segment information. The principal products and services of each of these divisions are as follows:

Development Capital - The investment of funds in development capital opportunities in Australia. It includes the results of all activities within Advent Limited, APT and WPI and includes the activities of equity accounted investments.

Equipment Rental & Sales - The short term rental of a very wide range of scientific, test and measurement equipment, computers, faxes, printers, audiovisual, chemical analysis, medical, communications and life style products. These activities all relate to the operations of the controlled entity TR Corporation Pty Ltd.

Information on Geographical Segments (secondary reporting format)

	Revenue from External Customers		Segment Assets		Acquisition of Segment Assets	
	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$
Australia	21,837,232	20,147,129	22,213,339	41,121,665	3,606,441	6,844,455
New Zealand	2,022,134	3,316,027	–	3,705,815	–	1,334,147
South East Asia	598,816	775,462	–	1,090,094	–	1,409
	24,458,183	24,238,618	22,213,339	45,917,574	3,606,441	8,180,011

The consolidated entity's two divisions operate in three principal geographic areas Australia, South East Asia and New Zealand. The composition of each geographical segment is as follows:

- Australia – Advent Limited invests funds and TR Corporation Pty Ltd. rents and sells a wide range of products in Australia.
- Asia – Tech–Rentals (Malaysia) Sdn. Bdh rents and sells various equipment in Asia.
- New Zealand – Tech–Rentals (New Zealand) Ltd rents and sells various equipment in New Zealand.

**Notes to the Financial Statements
for the Financial Year Ended 30 June 2006**

31. Changes in the composition of the consolidated entity

(a) Acquisition of businesses

Since 30 June 2005, the controlled entity, TR Corporation Pty Ltd acquired certain operating assets and liabilities of the following businesses

Name of business acquired	Principal Activity	Date of Acquisition	Cost of Acquisition
30 June 2006			
Acquired by TR Corporation Pty Ltd prior to the disposal of TR Corporation Pty Ltd			
Hirecomm Australia Pty Ltd	Rental and sales of communication equipment	1/8/2005	1,492,233
Skycomm (Aust) Pty Ltd	Sales and distribution of communication equipment	1/8/2005	700,921
Integrity Data Systems Pty Ltd	Sales and distribution of communication equipment	15/11/2005	327,228
			2,520,382
30 June 2005			
Bear Communications Australia (Bearcomm)	Rental and sales of communication equipment	1/5/2005	2,572,319

The fair value of the net assets acquired and the goodwill arising on consolidation have been determined. Details of the acquisitions are as follows:

	2006			2005		
	\$	\$	\$	\$	\$	\$
	Book Value	Fair value adjustment	Fair value	Book Value	Fair value adjustment	Fair value
Fair value of net assets						
Current assets						
Cash and cash equivalents	—	—	—	—	—	—
Trade and other receivables	—	—	—	2,089,619	—	2,089,619
Inventories	333,941	—	333,941	406,619	—	406,619
Other current assets	59,936	—	59,936	447,437	—	447,437
Non current assets	—	—	—	—	—	—
Property, rental assets, plant and equipment	1,646,956	—	1,646,956	1,942,744	—	1,942,744
Current liabilities	—	—	—	—	—	—
Trade and other payables	(96,646)	—	(96,646)	(2,038,352)	—	(2,038,352)
Employee benefits	(29,399)	—	(29,399)	(275,748)	—	(275,748)
Net assets acquired	1,914,788	—	1,914,788	2,572,319	—	2,572,319
Goodwill on acquisition	605,594	—	605,594	—	—	—
	2,520,382	—	2,520,382	2,572,319	—	2,572,319

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

Changes in the composition of the consolidated entity (cont'd)

31. (b) Disposal of TR Corporation Pty Ltd and de-registration of Australian Pacific Technology Ltd

Subsequent to the acquisition of the above entities, Advent Ltd disposed of its equity interests in TR Corporation Pty Ltd. On 1 February 2006, the company sold TR Corporation Pty Ltd for \$9,000,000. The financial effect of this transaction has realised a net profit on sale of \$1,071,841 to the consolidated entity.

The results of the discontinued operations which have been included in the income statement in respect to TR Corporation Pty Ltd and Australian Pacific Technology Ltd are as follows. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period.

	2006 \$	2005 \$
Profit from discontinued operations:		
Revenue	24,478,133	22,335,361
Expenses	(24,354,196)	(21,878,653)
Profit before income tax expense	123,937	456,708
Attributable income tax expense	206,992	(250,441)
	330,929	206,267
Gain/ (loss) on disposal of operation	1,071,841	-
Attributable income tax expense	-	-
Profit from discontinued operations	1,402,770	206,267
Cash flows from discontinued operations		
Net cash flows from operating activities	2,303,250	(2,154,492)
Net cash flows from investing activities	(3,753,982)	(2,834,714)
Net cash flows from financing activities	83,902	(5,143,837)
Net cash flows	(1,366,829)	(10,133,044)

As the decision to sell TR Corporation Pty Ltd ("TR") occurred after 30 June 2005, the assets and liabilities of TR have not been classified as held for sale at 30 June 2005. At 30 June 2006 all assets and liabilities of TR have been disposed of by the consolidated entity.

32. Related Party Disclosures

(a) Equity Interests In Related Parties

Equity Interests in Controlled Entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 30 to the financial statements.

(b) Key Management Personnel Compensation

Details of Key Management Personnel Compensation are disclosed in note 4 to the financial statements.

(c) Loan Disclosures

There were no loans to key personnel of the Company or the controlled entity during the financial year.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

32. Related Party Disclosures (cont'd)

(d) Key management personnel equity holdings

Fully paid ordinary shares of Advent Limited

2006	Balance at 1 July 2005 No.	Net other change No.	Balance at 30 June 2006 No.
K.J. Croagh	47,924	–	47,924
R.H. Giles	18,646	–	18,646
B.F. Ball	740	–	740
R.A. Harrington	6,544	–	6,544
2005	Balance at 1 July 2004 No.	Net other change No.	Balance at 30 June 2005 No.
K.J. Croagh	47,924	–	47,924
R.H. Giles	18,646	–	18,646
B.F. Ball	740	–	740
R.A. Harrington	6,544	–	6,544

(e) Advent Private Capital Pty Ltd (APC) - formerly Advent Management Group Ltd (“The Manager”)

Advent Limited (“the Company”) has a management agreement with APC under which APC manages the investments made by the Company, provides administrative services and acts on behalf of the Company under directions of the Board of Directors of the Company. Management services, include providing the Company with access to the managerial pool of APC. However, no specific remuneration for acting as Director of the Company is being paid by APC to any of its employees.

(f) Transactions Within the Wholly-Owned Group

The wholly-owned group includes:

- the ultimate parent entity in the wholly-owned group;
- wholly-owned controlled entities; and
- other entities in the wholly-owned group.

The ultimate parent entity in the wholly-owned group is Advent Ltd.

During the year Advent Limited forgave debt of \$4,625,461 owing from its wholly owned subsidiary, Australian Pacific Technology Limited. This compared with a carried forward provision against this debt of \$6,004,313 at 30 June 2005 within the Company. Further, Advent Limited accepted the assignment of \$150,000 of expenses from that subsidiary. Subsequent to these transactions, the Company applied for the deregistration of Australian Pacific Technology Limited.

Details of interest expense, allowances for doubtful receivables and write-downs of receivables in respect of transactions with entities in the wholly-owned group are disclosed in note 2 to the financial statements.

Amounts receivable from entities in the wholly-owned group are disclosed in note 9 to the financial statements.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

33. Subsequent Events

Subsequent to year end, the Company has received the final proceeds from the sale of the shares held in Vignette Corporation, USA and funds received in US dollars have been exchanged to Australian dollars.

34. Notes To The Cash Flow Statement

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
(a) Reconciliation of Cash and Cash equivalents				
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown				
Cash	88,798	659,153	88,798	45,655
Deposits at call	18,665,801	3,030,000	18,665,801	2,605,000
	18,754,599	3,689,153	18,754,599	2,650,655
Bank overdraft	–	(983,919)	–	–
	18,754,599	2,705,234	18,754,599	2,650,655
(b) Businesses acquired				
During the financial year, the controlled entity TR Corporation Pty Ltd acquired three businesses. Details of the acquisitions are as follows:				
Consideration				
Cash and cash equivalents	2,520,382	2,572,319		
	2,520,382	2,572,319		
Fair value of net assets acquired				
Current assets				
Cash and cash equivalents	–	–		
Trade and other receivables	–	2,089,619		
Inventories	333,941	406,619		
Other current assets	59,936	447,437		
Non current assets				
Property, rental assets, plant and equipment	1,646,956	1,942,744		
Current liabilities				
Trade and other payables	(96,646)	(2,038,352)		
Employee benefits	(29,399)	(275,748)		
Net assets acquired	1,914,788	482,700		
Goodwill on acquisition	605,594	2,089,619		
	2,520,382	2,572,319		

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

34. Notes To The Cash Flow Statement (cont'd)

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
Net cash outflow on acquisition				
Cash and cash equivalents consideration	2,520,382	2,572,319		
Less cash and cash equivalent balances acquired	—	—		
	2,520,382	2,572,319		

(c) **Businesses disposed**

During the financial year, the consolidated entity disposed of its equipment rental business. Details of the disposal are as follows:

Consideration

Cash and cash equivalents	9,000,000	—
	9,000,000	—

Book value of net assets sold

Current assets		
Cash and cash equivalents	(1,873,254)	—
Trade and other receivables	7,065,928	—
Inventories	2,008,936	—
Non current assets		
Property, plant and equipment	21,125,329	—
Intangibles	859,827	—
Deferred Tax Assets	519,045	—
Current liabilities		
Trade and other payables	(6,452,718)	—
Borrowings	(5,876,836)	—
Current tax liabilities	(368,267)	—
Provisions	(657,860)	—
Non current liabilities		
Borrowings	(6,730,191)	—
Deferred tax liabilities	(200,054)	—
Non Current Provisions	(460,705)	—
Net assets disposed	8,959,180	—
Minority interest	(1,031,021)	—
Gain on disposal	1,071,841	—
	9,000,000	—

Net cash inflow on disposal

Cash and cash equivalents consideration	9,000,000	—
less cash and cash equivalents disposed	1,873,254	—
	10,873,254	—

**Notes to the Financial Statements
for the Financial Year Ended 30 June 2006**

34. Notes To The Cash Flow Statement (cont'd)

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
(d) Financing Facilities				
Secured Commercial bills and lease and hire purchase facilities, reviewed annually:				
Amount used	–	11,630,860	–	–
Amount unused	–	1,869,140	–	–
	–	13,500,000	–	–
(e) Reconciliation of profit for the period to net cash flows from operating activities				
Profit/(loss) from ordinary activities after related income tax	5,103,646	(1,518,070)	6,434,630	(819,212)
Diminution in investments	–	6,985,759	–	6,985,759
Depreciation and amortisation of non-current assets	2,563,897	3,834,559	–	–
(Profit) / loss on sale of investments	(8,293,933)	–	(7,222,092)	–
Revaluation of investments	–	–	–	–
(Profit) / loss on sale of property, plant and equipment	–	(3,307)	–	–
Amounts written off – bad debts	–	118,649	(2,733,754)	(631,839)
Management fees	150,000	–	–	–
Reduction in investments of related entity	–	(73,103)	–	–
Receivable in relation to sale of investment	–	–	–	–
Unrealised foreign exchange gains and losses	(128,665)	2,462,333	–	2,462,334
Warranty expense on sale of investment	–	1,200,000	–	1,200,000
Lease interest	–	308,754	–	–
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:	–	–	–	–
(Increase)/decrease in assets:				
current receivables	(9,427,536)	(681,562)	(1,446,378)	(427,430)
current inventories	(608,726)	(346,638)	–	–
other current assets	4,363,570	(560,703)	17,090	18,875
non-current receivables	(254,152)	–	–	–
non-current rental assets	–	(847,044)	–	–
non-current future income tax benefits	(66,087)	–	–	–
Other non-current assets	22,084,203	420	22,084,203	–
Increase/(decrease) in liabilities:				
current payables	68,055	(3,209,059)	(3,350,529)	(3,929,026)
current tax liability	(73,046)	(8,363,390)	(343,830)	(8,634,069)
provisions	87,525	37,810	–	–
borrowings	523,347	–	–	–
non-current provision for deferred tax	(471,124)	(1,499,901)	(364)	(1,473,468)
Net cash provided by/ (utilised in) operating activities	15,620,974	(2,154,493)	13,438,976	(5,248,076)

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

35. Financial Instruments

(a) Significant Accounting Policies

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

(b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis. The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(c) Interest Rate Risk

The following table details the consolidated entity's exposure to interest rate risk as at the 30 June 2006:

	Average Interest Rate %	Variable Interest Rate \$	Fixed Interest Rate Maturity			Non-Interest Bearing \$	Total \$
			Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$		
2006							
Financial Assets							
Cash	5.04	18,754,599	–	–	–	–	18,754,599
Trade receivables	–	–	–	–	–	1,902,612	1,902,612
Other current financial assets	–	–	–	–	–	1,556,128	1,556,128
		18,754,599	–	–	–	3,458,740	22,213,339
Financial Liabilities							
Trade payables	–	–	–	–	–	256,425	256,425
		–	–	–	–	256,425	256,425

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

35. Financial Instruments (cont'd)

The following table details the consolidated entity's exposure to interest rate risk as at the 30 June 2005:

			Fixed Interest Rate Maturity			Non-Interest Bearing	Total
	Average Interest Rate %	Variable Interest Rate \$	Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$		
2005							
Financial Assets							
Cash	5	3,682,073	–	–	–	7,080	3,689,153
Trade receivables	–	–	–	–	–	4,837,459	4,837,459
Other receivables	–	–	–	–	–	1,782,651	1,782,651
Other current financial assets	–	–	–	–	–	1,616,348	1,616,348
Other non current financial assets	–	–	–	–	–	14,862,111	14,862,111
		3,682,073	–	–	–	23,105,649	26,787,722
Financial Liabilities							
Trade payables	–	–	–	–	–	7,574,829	7,574,829
Bank overdraft	10.6	983,919	–	–	–	–	983,919
Bills of exchange	6.3	–	1,000,000	5,750,000	–	–	6,750,000
Hire purchase liabilities	8.1	–	2,731,167	865,712	–	–	3,596,879
Employee entitlements	–	–	–	–	–	1,031,040	1,031,040
		983,919	3,731,167	6,615,712	–	8,605,869	19,936,667

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

36. Adopting Australian Equivalents to International Financial Reporting Standards

Financial Reporting Standards

The consolidated entity changed its accounting policies on 1 July 2005 to comply with Australian equivalents to International Financial Reporting Standards ('A-IFRS'). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition, except for financial instruments, including derivatives, where the date of transition is 1 July 2005.

An explanation of how the transition from superseded policies to A-IFRS has affected the consolidated entity's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Effect of A-IFRS on the balance sheet as at 1 July 2004

	Note	Consolidated			Company		
		Superseded policies*	Effects of transition to A-IFRS	A-IFRS	Superseded policies*	Effects of transition to A-IFRS	A-IFRS
		\$	\$	\$	\$	\$	\$
Current assets							
Cash and cash equivalents		12,838,278	-	12,838,278	11,774,920	-	11,774,920
Trade and other receivables		5,434,368	-	5,434,368	3,090,667	-	3,090,667
Inventories		309,678	-	309,678	-	-	-
Other		14,260	-	14,260	14,260	-	14,260
Total current assets		18,596,584	-	18,596,584	14,879,847	-	14,879,847
Non-current assets							
Trade and other receivables					7,500,000	(1,628,189)	5,871,811
Property, plant and equipment		15,558,559	-	15,558,559	-	-	-
Other non current financial assets	(c)	24,408,639	(98,435)	24,310,204	24,408,639	(98,435)	24,310,204
Deferred tax assets	(a)	-	255,723	255,723	-	-	-
Total non-current assets		39,967,198	157,288	40,124,486	31,908,639	(1,726,624)	30,182,015
Total assets		58,563,782	157,288	58,721,070	46,788,486	(1,726,624)	45,061,862
Current liabilities							
Trade and other payables		8,814,917	-	8,814,917	7,385,980	-	7,385,980
Interest bearing liabilities		2,982,398	-	2,982,398	-	-	-
Current tax payables		8,942,315	-	8,942,315	8,934,944	-	8,934,944
Provisions		402,434	-	402,434	-	-	-
Total current liabilities		21,142,064	-	21,142,064	16,320,924	-	16,320,924
Non-current liabilities							
Interest bearing liabilities		6,157,540	-	6,157,540	-	-	-
Deferred tax liabilities	(a)	236,723	1,473,832	1,710,555	243,527	1,230,305	1,473,832
Non current provisions		315,048	-	315,048	-	-	-
Total non-current liabilities		6,709,311	1,473,832	8,183,143	243,527	1,230,305	1,473,832
Total liabilities		27,851,375	1,473,832	29,325,207	16,564,451	1,230,305	17,794,756
Net assets		30,712,407	(1,316,544)	29,395,863	30,224,035	(2,956,929)	27,267,106
Equity							
Issued capital		14,945,071	-	14,945,071	14,945,071	-	14,945,071
Reserves		168,005	-	168,005	3,600	-	3,600
Retained earnings	(e)	15,599,331	(1,316,544)	14,282,787	15,275,364	(2,956,929)	12,318,435
Total equity		30,712,407	(1,316,544)	29,395,863	30,224,035	(2,956,929)	27,267,106

* Reported financial position for the year ended 30 June 2004

**Notes to the Financial Statements
for the Financial Year Ended 30 June 2006**

**36. Adopting Australian Equivalents to International Financial Reporting Standards
(cont'd)**

Effect of A-IFRS on the balance sheets as at 30 June 2005

	Consolidated			Company			
	30 June 2005			30 June 2005			
	Note	Superseded policies* \$	Effects of transition to A-IFRS		Superseded policies* \$	Effects of transition to A-IFRS	
IFRS \$			A-IFRS \$	IFRS \$		A-IFRS \$	
Current assets							
Cash and cash equivalents		3,689,153	-	3,689,153	2,650,655	-	2,650,655
Trade and other receivables		6,203,762	-	6,203,762	-	-	-
Inventories		1,081,372	-	1,081,372	-	-	-
Other current financial assets	(c)	1,599,258	-	1,599,258	1,969,408	-	1,969,408
Other		17,090	-	17,090	17,090	-	17,090
Total current assets		12,590,635	-	12,590,635	4,637,153	-	4,637,153
Non-current assets							
Trade and other receivables		-	-	-	9,632,259	(1,354,902)	8,277,357
Property, plant and equipment		17,997,663	-	17,997,663	-	-	-
Other non current financial assets	(c)	14,921,798	(59,687)	14,862,111	14,921,798	(59,687)	14,862,111
Deferred tax assets	(a)	-	467,165	467,165	-	-	-
Other		-	-	-	-	-	-
Total non-current assets		32,919,461	407,478	33,326,939	24,554,057	(1,414,589)	23,139,468
Total assets		45,510,096	407,478	45,917,574	29,191,210	(1,414,589)	27,776,621
Current liabilities							
Trade and other payables		7,574,829	-	7,574,829	3,456,954	-	3,456,954
Interest bearing liabilities		4,715,086	-	4,715,086	-	-	-
Current tax payables		272,099	-	272,099	300,876	-	300,876
Provisions		1,805,740	-	1,805,740	1,200,000	-	1,200,000
Total current liabilities		14,367,754	-	14,367,754	4,957,830	-	4,957,830
Non-current liabilities							
Interest bearing liabilities		6,615,712	-	6,615,712	-	-	-
Deferred tax liabilities	(a)	441,494	-	441,494	243,891	(243,527)	364
Non current provisions		425,300	-	425,300	-	-	-
Total non-current liabilities		7,482,506	-	7,482,506	243,891	(243,527)	364
Total liabilities		21,850,260	-	21,850,260	5,201,721	(243,527)	4,958,194
Net assets		23,659,836	407,478	24,067,314	23,989,489	(1,171,062)	22,818,427
Equity							
Contributed equity		14,945,071	-	14,945,071	14,945,071	-	14,945,071
Reserves		(82,097)	-	(82,097)	-	-	-
Retained profits	(e)	8,796,862	407,478	9,204,340	9,044,418	(1,171,062)	7,873,356
Total equity		23,659,836	407,478	24,067,314	23,989,489	(1,171,062)	22,818,427

* Reported under superseded Australian GAAP.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

36. Adopting Australian Equivalents to International Financial Reporting Standards (cont'd)

Effect of A-IFRS on the consolidated income statement for the financial year ended 30 June 2005

	Consolidated					
	Note	Superseded policies* 30 June 05 \$	Effects of transition to A- IFRS \$	A-IFRS 30 June 05 \$	Reconciliation for discontinued operations 30 June 05 \$	Revised A-IFRS \$
Sales revenue	(b)	24,954,501	(1,979,646)	22,974,855	(22,335,811)	639,044
Total Revenue		24,954,501	(1,979,646)	22,974,855	(22,335,811)	639,044
Management fees and payments		1,620,516	-	1,620,516		1,620,516
Changes in inventories		771,694	-	771,694	(771,694)	-
Written down value of rental assets sold and other direct costs	(b)	(7,004,718)	1,874,995	(5,129,723)	5,129,723	-
Profit/ loss on sale of rental assets	(b)		104,651	104,651	(104,651)	-
Diminution in investments	(c)	(7,024,507)	38,748	(6,985,759)	-	(6,985,759)
Warranty claim expense		(1,200,000)	-	(1,200,000)	-	(1,200,000)
Foreign exchange gains/(losses)		(2,462,333)	-	(2,462,333)	-	(2,462,333)
Advertising expense		(1,379,026)	-	(1,379,026)	1,379,026	-
Employee benefit expense		(7,673,616)	-	(7,673,616)	7,673,616	-
Depreciation and amortisation expense		(3,834,559)	-	(3,834,559)	3,834,559	-
Insurance expense		(327,665)	-	(327,665)	324,160	(3,505)
Rent		(902,548)	-	(902,548)	902,548	-
Borrowing Costs		(830,512)	-	(830,512)	830,512	-
Bad debt expense/ (recovery)		(118,649)	-	(118,649)	118,649	-
Other expenses from ordinary activities		(3,116,074)	-	(3,116,074)	2,562,655	(553,419)
Profit before income tax expense		(8,527,496)	38,748	(8,488,748)	(456,708)	(8,945,456)
Income tax expense	(a)	5,285,404	1,685,274	6,970,678	250,441	7,221,119
Profit/ (loss) from continuing operations		(3,242,092)	1,724,022	(1,518,070)	-	(1,724,337)
Profit from discontinued operations		-	-	-	(206,267)	206,267
Profit/ (loss) for the year		(3,242,092)	1,724,022	(1,518,070)	-	(1,518,070)

* Reported under superseded Australian GAAP.

- (i) Excluding re-allocation in respect to discontinued operation of TR Corporation Pty Ltd
- (ii) Re-allocation in respect to discontinued operation of TR Corporation Pty Ltd

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

36. Adopting Australian Equivalents to International Financial Reporting Standards (cont'd)

Effect of A-IFRS on the company income statement for the financial year ended 30 June 2005

	Note	Company		
		Superseded policies* 30 June 05	transition to A-IFRS A-IFRS 30 June 05	
		\$	\$	\$
Sales revenue		639,044	-	639,044
Total Revenue		639,044	-	639,044
Management fees and payments		1,620,516	-	1,620,516
Changes in inventories		-	-	-
Written down value of rental assets sold and other direct costs		-	-	-
Profit/ loss on sale of rental assets		-	-	-
Diminution in investments	(c)	(7,024,507)	38,748	(6,985,759)
Warranty claim expense		(1,200,000)	-	(1,200,000)
Foreign exchange gains/(losses)		(2,462,333)	-	(2,462,333)
Advertising expense		-	-	-
Employee benefit expense		-	-	-
Depreciation and amortisation expense		-	-	-
Insurance expense		(3,505)	-	(3,505)
Rent		-	-	-
Borrowing Costs	(d)	-	273,286	273,286
Bad debt expense/ (recovery)		631,839	-	631,839
Other expenses from ordinary activities		(553,419)	-	(553,419)
Profit before income tax expense		(8,352,365)	312,034	(8,040,331)
Income tax expense		5,747,287	1,473,832	7,221,119
Profit from continuing operations		(2,605,078)	1,785,866	(819,212)

Restated A-IFRS Statement of Cash Flows for the Year Ended 30 June 2005

No material impacts are expected to the cash flows presented under AGAAP on adoption of A-IFRS.

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

36. Adopting Australian Equivalents to International Financial Reporting Standards (cont'd)

Notes to the reconciliations of income and equity

(a) Income tax

Under superseded policies, the consolidated entity adopted tax-effect accounting principles whereby income tax expense was calculated on pre-tax accounting profits after adjustment for permanent differences. The tax-effect of timing differences, which occur when items were included or allowed for income tax purposes in a period different to that for accounting were recognised at current taxation rates as deferred tax assets and deferred tax liabilities, as applicable.

Under A-IFRS, deferred tax is determined using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases.

The effect of the above adjustments on the deferred tax balances are as follows:

	Consolidated		Company	
	1 July 2004	30 June 2005	1 July 2004	30 June 2005
Deferred tax asset not recognised under superseded GAAP	255,723	467,165	-	-
Deferred tax liability not recognised under superseded GAAP	(1,473,832)	-	(1,230,305)	(243,527)
	(1,218,109)	467,165	(1,230,305)	(243,527)

(b) Revenue

Under superseded policies, the consolidated entity recognised the gain or loss on disposal of property, plant and equipment on a gross basis by recognising the proceeds from sale as revenue, and the carrying amount of the property, plant and equipment disposed as an expense. Under A-IFRS, the gain or loss on disposal is recognised on a net basis, and is classified as income, rather than revenue. Accordingly, the gross amounts have been reclassified within the income statement for A-IFRS reporting purposes.

(c) Financial assets

Under superseded policies, the consolidated entity recognised financial assets and liabilities at the lower of cost and net realisable value, with movements recorded through the income statement. Under A-IFRS the consolidated entity has classified certain shares as financial assets at fair value through profit or loss. Financial assets are classified as non current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

(d) Financial Assets – Loans and Receivables

Under superseded policies, the company recognised inter-company loans at nominal value. Under A-IFRS, the company has recognised all inter-company loans at amortised cost using the effective interest method..

Notes to the Financial Statements for the Financial Year Ended 30 June 2006

36. Adopting Australian Equivalents to International Financial Reporting Standards (cont'd)

(e) Retained earnings

The effect of the above adjustments on retained earnings is as follows:

	Note	Consolidated		Company	
		1 July 2004	30 June 2005	1 July 2004	30 June 2005
Net deferred tax not recognised under superseded GAAP	(a)	(1,218,109)	467,165	(1,230,305)	243,527
Financial assets through profit or loss	(b)	(98,435)	(59,687)	(98,435)	(59,687)
Valuation of inter-company loans using the effective interest method	(d)	-	-	(1,628,189)	(1,354,902)
		<u>(1,316,544)</u>	<u>407,478</u>	<u>(2,956,929)</u>	<u>(1,171,062)</u>

Additional Stock Exchange Information as at 29 August 2006

Additional Company Information

Advent Limited is a listed public company, incorporated and operating in Australia.

Registered Office

Attention: Roland Stadly
Company Secretary
Advent Limited
Level 17, HWT Tower
40 City Road
Southbank VIC 3006
Telephone (03) 9690 9566

Principal Place of Business

Attention: Roland Stadly
Company Secretary
Advent Limited
Level 17, HWT Tower
40 City Road
Southbank VIC 3006
Telephone (03) 9690 9566

In accordance with the periodic disclosure requirements of the Australian Stock Exchange Limited the Directors state that at 29 August 2006

Ordinary Share Capital

21,349,810 fully paid ordinary shares are held by 885 individual shareholders.

All issued ordinary shares carry one vote per share.

Distribution of Holders of Equity Securities

Holders of Ordinary Shares

1 – 1,000	309	
1,001 – 5,000	358	
5,001 – 10,000	89	
10,001 – 100,000	111	
100,001 and over	18	
	885	
Holders of less than a marketable parcel	210	

Substantial Shareholders

Ordinary Shareholders	Shares	%
Watson Wyatt Superannuation Pty Ltd as trustees for Orica Superannuation Fund	3,105,180	14.54
JP Morgan Nominees Aust Ltd as trustees for Australia Post Superannuation Fund	2,601,803	12.19
Westpac Custodian Nominees Ltd as trustee for The National Mutual Life Association of Australasia Limited	2,583,133	12.1
Government Superannuation Office	2,284,374	8.81
Australian Foundation Investment Company Limited	1,785,453	8.36

Additional Stock Exchange Information as at 29 August 2006

Top 20 Shareholders as at 29 August 2006	Number of Shares	%
Watson Wyatt Superannuation Pty Ltd As Trustees For Orica Superannuation Fund	3,105,180	14.54%
JP Morgan Nominees Aust Ltd As Trustees For Australia Post Superannuation Fund	2,601,803	12.19%
Westpac Custodian Nominees Ltd As Trustee For The National Mutual Life Association Of Australasia Limited	2,583,133	12.10%
Government Superannuation Office	2,284,374	10.70%
Australian Foundation Investment Company Limited	1,785,453	8.36%
Rio Tinto Limited	782,053	3.66%
Abtourk (Syd No 415) Pty Ltd	579,168	2.71%
Perpetual Trustee Company	540,000	2.53%
Djerriwarrh Investments	400,000	1.87%
Grandream Securities Pty	280,373	1.31%
Delta Asset Management Pty Ltd	256,602	1.20%
Abtourk (Syd No 415) Pty Ltd	250,405	1.17%
Jodeen Securities Pty Ltd	243,900	1.14%
Commonwealth Bank Of	243,281	1.14%
Abtourk (Syd No 415) Pty Ltd	203,137	0.95%
Allbeau Pty Ltd	167,098	0.78%
Ago Pty Ltd	157,056	0.74%
UBS Nominees Pty Ltd	106,319	0.50%
B M R Nominees Pty Ltd	100,000	0.47%
Wongabeena Investments	94,332	0.44%
	16,763,667	78.52%

An on-market buy-back is currently in place, the term of which is open-ended.

Corporate Directory

DIRECTORS

Kevin John Croagh A.O
Chairman

Brian Francis Ball

Richard Hartley Giles

Rupert Anthony Harrington
(alternate for Mr Kevin J. Croagh, Mr Brian F. Ball
and Mr Richard H. Giles)

SECRETARY

Roland J D Stadly

MANAGER

Advent Private Capital Pty Ltd

Level 17, HWT Tower
40 City Road
Southbank Victoria 3006

Telephone (03) 9690 9566

Facsimile (03) 9690 9466

Email enquiry@adventpc.com.au

REGISTERED OFFICE

Attention: Mr R J Stadly
Company Secretary
Advent Limited
Level 17, HWT Tower
40 City Road
Southbank Victoria 3006

SHARE REGISTRY

Computershare Investor Services Pty Ltd

Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Investor enquiries 1300 850 505

Fax (03) 9473 2500

AUDITORS

Deloitte Touche Tohmatsu

Chartered Accountants
180 Lonsdale Street
Melbourne Victoria 3000

SOLICITORS

Norton Gledhill

Level 23
459 Collins Street
Melbourne Victoria 3000

BANKERS

National Australia Bank Limited

Western Branch
460 Collins Street
Melbourne Victoria 3000

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twentieth Annual General Meeting of the Company will be held at 11.00 a.m. on Wednesday 29 November 2006 at Deloitte Touche Tohmatsu, Level 14, 180 Lonsdale Street, Melbourne, Victoria.

AGENDA

BUSINESS

Financial Report:

To receive and consider the full financial report (financial statements, notes and Directors' declaration) for the year ended 30 June 2006, together with the consolidated accounts of the Company and its controlled entities in accordance with the Corporations Act 2001, and the reports of the Directors and Auditors thereon.

1. To consider and, if thought fit, pass the following resolution as an ordinary resolution
"That the Remuneration Report forming part of the Director's Report, under Key Management Personnel Compensation, for the year ended 30 June 2006 be adopted".

Note the vote on this resolution does not bind the Company or its Directors.

SPECIAL RESOLUTION

To consider and if thought fit pass the following resolution as a special resolution:

2. "That Mr Kevin John Croagh who is a candidate for re-election as a Director of the Company aged 77 years as at the date of the notice convening this Annual General Meeting, be re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company in accordance with Section 201C(8) of the Corporations Act 2001".

By order of the Board of Advent Limited



Roland J D Stadly

Secretary

Dated at Melbourne

12 September 2006

NOTES:

1. A member entitled to attend and vote at the meeting may appoint one proxy or, if the member is entitled to cast two or more votes at the meeting, two proxies, to attend and vote instead of the member.
2. Where two proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the member's voting rights at the meeting. If the proxy form does not specify the proportion or number of the member's votes each proxy may exercise, each proxy will be able to exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy form accompanies this notice. For the proxy form to be valid, it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a certified copy of that power or authority not less than 24 hours before the time for holding the meeting, namely, by 11.00am on Tuesday 28 November 2006, at the registered office of the Company:
 - at Level 17, HWT Tower, 40 City Road, Southbank, Victoria, 3006; or
 - by facsimile (03) 9690 9466, marked to the attention of the Company Secretary.

ADVENT LIMITED

Notice of Annual General Meeting