oldfields





Annual Financial Report for the Year Ended 30 June 2010

Oldfields Holdings Limited & Controlled Entities

ABN 92 000 307 988

LISTED ON AUSTRALIAN STOCK EXCHANGE

OLDFIELDS HOLDINGS LIMITED
AND CONTROLLED ENTITIES
ABN: 92 000 307 988

Financial Report For The Year Ended 30 June 2010

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OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988 AND CONTROLLED ENTITIES DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the Company and its controlled entities for the financial year ended 30 June 2010.

Directors

The names of the directors in office at any time during or since the end of the year are:

Christopher C Hext	
Anthony Mankarios	Resigned 23 July 2010
Thomas D J Love	Retired 22 December 2009
John Roy Westwood	Retired 9 November 2009
William Lewis Timms	Appointed 18 December 2009
Michael Leo Stafford	Appointed 30 November 2009, Resigned 23 March 2010
Raymond John Titman	Appointed 23 July 2010
Christopher Michael Giles	Appointed 24 September 2010

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated group during the financial year were:

- manufacturing and marketing of paint brushes, paint rollers, painters tools and spray guns;
- manufacturing, marketing and exporting of Treco garden sheds, outdoor storage systems, aviaries and pet homes;
- manufacturing and marketing of scaffolding and related equipment;
- hiring of scaffolding and related products to the building and construction industry; and
- manufacturing and marketing of cleaning and personnel care products.

There were no significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results and Review of Operations for the year

Operating Results

The company's consolidated group revenue to 30 June 2010 is $42.6m down 9.9% from $47.3m in 2009. The consolidated net profit after tax attributable to members for the year 30 June 2010 was a loss of $7,701,346 compared to $7,013,970 for the corresponding period to 30 June 2009.

The company incurred one-off non recurring costs and charges to the accounts in this financial year of $5,280,363. This was primarily caused by impairment of the H & O Products division and property devaluations.

The table below summarises the one-off charges adversely affecting this years results:

Impairments	$3,040,604
Property devaluations	$812,553
Professional services	$387,568
H & O Redundancy	$86,870
Non-cash loss on acquisition of associated company	$516,000
Impaired debtors	$436,768

The company has $4,428,941 of deferred tax assets available as at 30 June 2010. Once the company returns to profit, these tax losses can be booked as an asset in the company's balance sheet.

Review of Operations

(i) Paint Applications

The past year has proven to be a difficult trading year due to external market pressures resulting in a lower than expected result. The business has gained additional business through current customer groups which will materialise in the new financial year. Revitalisation through new packaging and marketing focus on individual sales channels are expected to enhance future results. New business has been gained via the Home Improvement sector and this will flow through in the second half of the financial year ending June 2011.

(ii) Treco Garden Sheds

Export sales have suffered due to the continuing economic downturn in our target customer countries. The division will focus on international trade shows in the drive for new business. The domestic market continues to be a challenge, however renewed focus on a variety of sales channels and marketing initiatives is intended to improve this division.

(iii) Pt Ace Oldfields Indonesia

Export sales continue to be suppressed particularly in the North America market, however new business has been gained both from existing and new customers going forward. Domestic sales in Indonesia grew significantly this year with further growth expected for the year ending June 2011.

(iv) H & O Products

This division delivered a negative result for the year with decreasing returns. A decision was made to wind down the business and this is expected to be completed by 30 October 2010. All finished goods and assets will be sold and all outstanding commitments honoured.

(v) Access Scaffold Division

A restructure of this division occurred in the second half of the year with new management and a sales team appointed to take the company forward. Strong orders for our Chinese manufacturing plant will ensure export growth and support the domestic sales market. The company will refocus on the domestic hire business with renewed marketing activities to drive revenue. As reported at December 2009 the company finalised the acquisition of the remaining shares in Scaffold Management Systems Pty Ltd, previously known as Concrete pumping Systems Australia Pty Ltd, in May 2010.

(vi) Property

The property at St Marys, New South Wales has been listed for sale and is expected to be sold during the financial year ended 30 June 2011.

The operation in Tangshan, China remained inactive during the year and avenues to dispose of the land and buildings are currently being explored.

Financial Position

The net assets of the consolidated group have decreased by $5,023,822 from 30 June 2009 to $3,163,675 in 2010. This decrease is largely due to the following factors:

- H & O Impairment;
- Property devaluations; and
- Loss on acquisition of an associated company and one-off non recurring expenses .

The directors believe the group is in a stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

No significant changes in the consolidated group's state of affairs occurred during the year.

Dividends Paid or Recommended

Since the start of the financial year no dividends have been paid or declared.

After Balance Date Events

- On the 22 July 2010, the recent capital raising by way of a pro-rata, non-renounceable rights issue was fully subscribed. In addition, the debt payable to U.F.B.A. Pty Ltd for $500,000 was converted to shares.
- On 29 July 2010, the company signed an agreement with its bankers for a finance facility for a further two year period with an annual review. The next annual review is 31 July 2011.

Future Developments, Prospects and Business Strategies

Reinvigoration of the management team has commenced with the appointment of Mr William Lewis Timms as a non-executive board member and the appointment of Mr Raymond Titman as CEO and Managing Director. Other avenues are currently being examined to strengthen the board and senior management team. The management team at both group and divisional levels will focus on the core business of the group in the coming financial year to drive sales revenue and return the company to sustainable profits.

Environmental Issues

The consolidated group's operations are not subject to significant environmental regulations under the law of the Commonwealth and State. The economic entity has established a process whereby compliance with existing environmental regulations and new regulations are monitored continually. This process includes procedures to be followed should an incident adversely impact on the environment. The directors are not aware of any significant breaches during the period covered by this report.

Information on Directors

Christopher C Hext	—	Chairman (Non Executive)
Qualifications	—	Bachelor of Business (Accounting), Registered Tax Agent, Justice of the Peace.
Experience	—	Board member since 2001. Mr Hext was a Certified Practicing Accountant and has held senior accounting and management positions in companies of all sizes.
Interest in Shares and Options	—	2,275,614 ordinary shares in Oldfields Holdings Ltd and options to acquire a further 50,000 ordinary shares.
Special Responsibilities	—	Chairman of the Remuneration Committee and member of the Audit Committee.
Anthony Mankarios	—	Chief Executive Officer (Resigned 23 July 2010)
Qualifications	—	Fellow of the Australian Institute of Company Directors, Master of Business Administration, Certified Finance and Treasury Professional.
Experience	—	Appointed Chief Executive Officer 10 October 2002. Board member since 2001. Mr Mankarios was previously involved for 13 years in all aspects of management and administration of a group of companies in the paint industry and has extensive experience in manufacturing and retail business.
Interest in Shares and Options	—	3,021,090 ordinary shares in Oldfields Holdings Ltd and options to acquire a further 500,000 ordinary shares.
Special Responsibilities	—	Mr Mankarios was a member of the Remuneration Committee.
Directorships held in other listed entities during the three years prior to the current year	—	Joyce Corporation Limited
William Lewis Timms	—	Director (Non Executive) (Appointed 18 December 2009)
Qualifications	—	Bachelor of Business (Accounting and Audit), Registered Tax Agent, Real Estate and Business Agent.
Experience	—	25 years experience in accounting and audit, 18 years experience in commercial real estate and project management
Interest in Shares and Options	—	6,160,000 ordinary shares
Special Responsibilities	—	Chariman of the Audit Committee.
Raymond J Titman	—	Director (Executive) and Chief Executive Officer (Appointed 23 July 2010)
Experience	—	27 years experience with Oldfields in all divisions of the company both domestically and internationally.
Interest in Shares and Options	—	11,962 ordinary shares
Special Responsibilities	—	Member of the Remuneration Committee.

Company Secretary

The following person held the position of company secretary at the end of the financial year:
Robert A Coleman — Bachelor of Commerce (Accounting), Certified Practicing Accountant. Robert Coleman has held various senior management roles in companies of all sizes.

Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held.
Attendances by each director during the year were as follows:

	Directors' Meetings		Committee Meetings: Audit Committee		Committee Meetings: Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Christopher C Hext	9	9	2	2	1	1
Anthony Mankarios	9	9	-	-	1	1
Thomas D J Love	3	3	1	1	-	-
John Roy Westwood	3	3	-	-	-	-
William Lewis Timms	6	6	1	1	-	-
Michael Leo Stafford	3	3	-	-	-	-

Indemnifying Officers or Auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the company.

Options

At the date of this report, the unissued ordinary shares of Oldfields Holdings Limited under option are as follows

Grant Date	Date of expiry	Exercise price	Number under option
24/11/2008	24/11/2011	$1.20	350,000
			350,000

Options holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

Proceedings on Behalf of Company

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

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

Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the year ended 30 June 2010:

	$
Taxation services	43,700
Due diligence investigations	-
	43,700

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 6 of the Annual Report.

REMUNERATION REPORT

Remuneration policy

The remuneration policy of Oldfields Holdings Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The board of Oldfields Holdings Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for key management personnel of the consolidated group is as follows:

- The remuneration policy is required to be developed by the remuneration committee and approved by the board after seeking professional advice from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The remuneration committee reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholder interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and is valued using the Black-Scholes methodology.

Remuneration Details for the Year Ended 30 June 2010

The following table of payments and benefits details, in respect to the financial year, the components of remuneration for each member of the key management personnel for the consolidated group and, to the extent different, the twelve group executives receiving the highest remuneration:-

Table of Benefits and Payments for the year ended 30 June 2010

	Short-term benefits		**Post Employment Benefits**	**Share based payment**	
2010	Salary, Fees and Leave $	Non-monetary $	Pension and superannuation $	Options $	**Total $**
Group Key Management Personnel					
Christopher C Hext	45,119	-	4,061	1,350	50,530
Anthony Mankarios	177,833	34,186	16,005	13,500	241,524
Thomas D J Love	17,181	-	-	-	17,181
John Roy Westwood	22,815	13,891	2,053	-	38,759
William Lewis Timms	7,412	-	667	-	8,079
Michael Leo Stafford	8,428	-	758	-	9,186
Raymond John Titman	94,462	31,159	8,502	4,050	138,173
Kenneth E Holloway	66,918	30,017	-	1,350	98,285
Gary J Guild (resigned June 2010)	96,005	22,059	8,640	1,350	128,054
Robert A Coleman	55,179	6,604	4,966	-	66,749
Maurice W Abbott (resigned November 2009)	43,735	3,585	3,936	-	51,256
Braden Murrin (resigned June 2010)	149,154	27,203	13,424	-	189,781
	784,241	168,704	63,012	21,600	1,037,557

	Short-term benefits		**Post Employment Benefits**	**Share based payment**	
2009	Salary, Fees and Leave $	Non-monetary $	Pension and superannuation $	Options $	**Total $**
Group Key Management Personnel					
Christopher C Hext	37,740	-	3,397	2,285	43,422
Anthony Mankarios	211,135	40,137	19,002	22,847	293,121
Thomas D J Love	29,702	-	-	2,285	31,987
John Roy Westwood	46,930	38,245	4,224	6,854	96,253
Raymond Titman	79,640	35,843	7,168	6,854	129,505
Kenneth E Holloway	59,137	23,268	-	2,285	84,690
Maurice W Abbott	135,333	12,955	12,180	-	160,468
Gary J Guild	81,940	5,217	7,375	2,285	96,817
	681,557	155,665	53,346	45,695	936,263

Options and Rights Granted

	Grant Details			**For the financial year ended 30 June 2010**	
	Date	No.	Value per Option at Grant Date $	Exercise Price	Last Exercise Date
Group Key Management Personnel					
Maurice W Abbott	24/11/2008	250,000	1.40	1.20	24/11/2011
Braden Murrin	24/11/2008	100,000	1.40	1.20	24/11/2011
		350,000			

As at 30 June 2010, $1,275,000 options expired which were not exercised.

All options vest within 1 year of grant date and expire within 3 years of vesting.

The service and performance criteria set to determine remuneration are included in this remuneration report.

All options were granted for nil consideration.

Employment Contracts of Directors and Senior Executives

The employment conditions of specified executives are formalised in contracts of employment.

The employment contracts stipulate a range of one to three months resignation periods. The Company may terminate an employment contract without cause by providing a 12 months written notice or making payment in lieu based on the individual's annual salary component, together with a redundancy payment between 5% and 10% of the individual's fixed salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate the individual's employment contract at any time. Any options not exercised before that date will lapse.

This Report of the Directors', incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Raymond Titman

Dated: 30/09/2010

HALLCHADWICK

Chartered Accountants and Business Advisers

OLDFIELDS HOLDINGS LIMITED

ABN 92 000 307 988

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

i. no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, Sydney, NSW 2000

GRAHAM WEBB
Partner
Date: 30 September 2010

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Gino Malacco
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Steven Gladman
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Blair Pleash
David Ross
Graham Webb
Domenic Calabretta
Bill Petrovski

ASSOCIATES

Sally Saad
David Ingram
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OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group 2010 $	2009 $
Sales revenue	2	27,486,867	31,455,278
Cost of sales		(25,907,619)	(26,697,123)
Gross profit		1,579,248	4,758,155
Other income	2	15,119,043	15,833,984
Distribution expenses		(13,772,700)	(16,434,463)
Marketing expenses		(1,053,478)	(1,270,250)
Occupancy expenses		(1,549,928)	(1,515,456)
Administrative expenses		(2,724,755)	(2,306,428)
Impairment expense		(3,115,637)	(4,027,937)
Finance costs		(1,683,629)	(1,985,323)
Other expenses		(1,328,553)	-
Share of net profit(loss) of associates and joint ventures		92,177	(131,136)
Loss before income tax	3	(8,438,212)	(7,078,854)
Income tax expense	4	(189,043)	(334,805)
Loss from continuing operations		(8,627,255)	(7,413,659)
Discontinued operations			
(Loss)/profit for the year from discontinued operations after tax	5	(22,993)	276,752
Loss for the year		(8,650,248)	(7,136,907)
Other comprehensive income:			
Net (loss)/gain on revaluation of land and buildings		(112,206)	180,911
Effective portion of gain/(loss) on cash flow hedges		70,053	(60,812)
Exchange differences on translating foreign controlled entities		296,480	(215,159)
Other comprehensive income for the year, net of tax		254,327	(95,060)
Total comprehensive income for the year		(8,395,921)	(7,231,967)
Loss attributable to:			
Members of the parent entity		(7,701,346)	(7,013,970)
Non-controlling interest		(948,902)	(122,937)
		(8,650,248)	(7,136,907)
Total comprehensive income attributable to:			
Members of the parent entity		(7,447,019)	(7,109,030)
Non-controlling interest		(948,902)	(122,937)
		(8,395,921)	(7,231,967)
Overall Operations			
Basic earnings per share (cents per share)	9	(37.33)	(49.49)
Diluted earnings per share (cents per share)	9	(37.33)	(49.49)
Continuing Operations			
Basic earnings per share (cents per share)	9	(37.21)	(51.45)
Diluted earnings per share (cents per share)	9	(37.21)	(51.45)
Discontinued Operations			
Basic earnings per share (cents per share)	9	(0.11)	1.95
Dividends per share (cents)	8	-	5.45

The accompanying notes form part of these financial statements.

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Consolidated Group 2010 $	2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	316,776	588,917
Trade and other receivables	11	6,437,921	6,093,202
Inventories	12	6,272,925	9,638,136
Derivatives	15	9,241	-
Other assets	20	480,631	599,776
TOTAL CURRENT ASSETS		13,517,494	16,920,031
NON-CURRENT ASSETS			
Trade and other receivables	11	-	125,000
Investments accounted for using the equity method	13	2,712,355	2,407,837
Property, plant and equipment	17	13,006,389	15,720,839
Investment property	18	2,205,320	4,316,900
Deferred tax assets	23	61,031	-
Intangible assets	19	1,202,811	1,260,988
TOTAL NON-CURRENT ASSETS		19,187,906	23,831,564
TOTAL ASSETS		32,705,400	40,751,595
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	21	6,652,925	6,651,727
Borrowings	22	3,188,506	7,003,806
Current tax liabilities	23	97,934	370,015
Short-term provisions	24	1,151,847	1,955,342
Derivatives	15	-	60,812
TOTAL CURRENT LIABILITIES		11,091,212	16,041,702
NON-CURRENT LIABILITIES			
Borrowings	22	18,303,166	16,378,938
Other long-term provisions	24	147,347	143,460
TOTAL NON-CURRENT LIABILITIES		18,450,513	16,522,398
TOTAL LIABILITIES		29,541,725	32,564,100
NET ASSETS		3,163,675	8,187,495
EQUITY			
Issued capital	25	15,657,109	12,141,959
Reserves	33	(1,105,124)	(958,953)
Retained earnings		(10,077,824)	(2,806,425)
Parent interest		4,474,161	8,376,581
Non-controlling interest		(1,310,486)	(189,084)
TOTAL EQUITY		3,163,675	8,187,497

The accompanying notes form part of these financial statements.

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Note	Issued Capital	Retained Earnings	Cash Flow Hedge Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Option Reserve	Non-controlling interests	Total
Consolidated Group		$	$	$	$	$	$	$	$
Balance at 1 July 2008		10,921,391	4,979,880	-	-	(976,670)	59,580	81,228	15,065,409
Loss attributable to members of parent entity		-	(7,013,970)	-	-	-	-	-	(7,013,970)
Loss attributable to non-controlling interests		-	-	-	-	-	-	(122,937)	(122,937)
Total other comprehensive income for the year		-	-	(60,812)	180,911	(215,159)	-	-	(95,060)
Revaluation increment		-	-	-	-	-	53,197	-	53,197
Transactions with owners in their capacity as owners:									
Shares issued during the year		1,220,568	-	-	-	-	-	125	1,220,693
Sub-total		12,141,959	(2,034,090)	(60,812)	180,911	(1,191,829)	112,777	(41,584)	9,107,332
Dividends paid or provided for	8	-	(772,335)	-	-	-	-	(147,500)	(919,835)
Balance at 30 June 2009		12,141,959	(2,806,425)	(60,812)	180,911	(1,191,829)	112,777	(189,084)	8,187,497
Balance at 1 July 2009		12,141,959	(2,806,425)	(60,812)	180,911	(1,191,829)	112,777	(189,084)	8,187,497
Loss attributable to members of parent entity		-	(7,701,346)	-	-	-	-	-	(7,701,346)
Loss attributable to non-controlling interests		-	-	-	-	-	-	(948,902)	(948,902)
Total other comprehensive income for the year		-	-	70,053	(112,206)	296,480	-	-	254,327
Transfers from foreign exchange reserve to retained earnings		-	429,947	-	-	(429,947)	-	-	-
Revaluation increment		-	-	-	-	-	29,449	-	29,449
Transactions with owners in their capacity as owners:									
Shares issued during the year		3,656,524	-	-	-	-	-	-	3,656,524
Transaction costs		(141,374)	-	-	-	-	-	-	(141,374)
Sub-total		15,657,109	(10,077,824)	9,241	68,705	(1,325,296)	142,226	(1,137,986)	3,336,175
Dividends paid or provided for	8	-	-	-	-	-	-	(172,500)	(172,500)
Balance at 30 June 2010		15,657,109	(10,077,824)	9,241	68,705	(1,325,296)	142,226	(1,310,486)	3,163,675

The accompanying notes form part of these financial statements.

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group 2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		41,670,959	53,586,056
Interest received		81,212	528
Payments to suppliers and employees		(40,588,016)	(53,742,449)
Finance costs		(1,613,298)	(1,985,323)
Income tax paid		(464,902)	(255,991)
Interest paid to Director's Loan		(70,331)	(8,217)
Net cash provided by/(used in) operating activities	28	(984,376)	(2,405,396)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		2,302,630	712,807
Payment for businesses acquired		(998,870)	(3,266,070)
Proceeds from disposal of shares in subsidiary		174,050	348,200
Purchase of property, plant and equipment		(1,353,409)	(1,729,583)
Net cash provided by/(used in) investing activities		124,401	(3,934,646)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		110,503	9,185,000
Proceeds from Director's loans		-	1,000,000
Proceeds from issue of shares		2,081,470	-
Repayment of borrowings		(2,366,285)	(1,471,521)
Dividends paid by controlled entities to non-controlling interests		(172,500)	(745,867)
Net cash provided by/(used in) financing activities		(346,812)	7,967,612
Net (decrease)increase in cash held		(1,206,787)	1,627,570
Cash and cash equivalents at beginning of financial year	10	(953,879)	(2,581,449)
Cash and cash equivalents at end of financial year	10	(2,160,666)	(953,879)

The accompanying notes form part of these financial statements.

This financial report includes the consolidated financial statements and notes of Oldfields Holdings Limited and controlled entities ('Consolidated Group' or 'Group').

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business, the realisation of assets and the settlement of liabilitiies in the ordinary course of business at the amounts stated in the financial report.

Notwithstanding, the Group made a loss for the year ended 30 June 2010 of $8,650,248, the directors' believe that the Group will continue to operate as a going concern for the following reasons:

- H&O Products Pty Ltd, being a manufacturer of consumer goods, is in the process of an orderly wind-down which will free up working capital for the Group;
- A new facility agreement has been successfully negotiated with the Group's bankers which will significantly reduce principle reductions on borrowings over the next 12 months;
- Capital raising opportunities are currently being sought. Based on enquiries and advice received to date, there is no indication that the capital raising would not be successful.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Oldfields Holdings Limited at the end of the reporting period. A controlled entity is any entity over which Oldfields Holdings Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 16 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill (refer note 1(n)) or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

Note 1 Summary of Significant Accounting Policies (continued)

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Oldfields Holdings Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2003. The tax consolidated group has entered a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

(c) Inventories

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

(d) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of an individual valuation performed.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Note 1 Summary of Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group 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 depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Leasehold improvements	4 - 5%
Plant and equipment	5 - 50%
Leased plant and equipment	18 - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Investment Property

Investment property, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at fair value, determined annually by independent valuers and/or directors' valuations. Changes to fair value are recorded in the income statement as other income.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(g) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).
Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

Note 1 Summary of Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative instruments

Oldfields Holdings Limited and Controlled Entities designates certain derivatives as either:

i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
ii. hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the group's risk management objective and strategy for undertaking various hedge transactions is documented. Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items are also documented.

i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income. Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(h) Impairment of Assets

At each the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(i) Investments in Associates

Associate companies are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate company. In addition the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the relation to the Group's investment in the associate.

When the reporting dates of the Group and the associate are different, the associate prepares, for the Group's use, financial statements as of the same date as the financial statements of the Group with adjustments being made for the effects of significant transactions or events that occur between that date and the date of the investor's financial statements.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume the recognition of its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investment in associates are shown at Note 14.

Note 1 Summary of Significant Accounting Policies (continued)

(j) Intangibles

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:
(i) the consideration transferred;
(ii) any non-controlling interest; and
(iii) the acquisition date fair value of any previously held equity interest, over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The group determines which method to adopt for each acquisition.

Under the 'full goodwill' method, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the income statement. Where the investment had been equity accounted, any credit reserve balances are recycled to the income statement.

In determining the net identifiable assets acquired, contingent liabilities of the acquiree are included to the extent to which they represent a present obligation and can be measured reliably.

Refer to Note 16 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 5 to 10 years.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(k) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

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

— assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
— income and expenses are translated at average exchange rates for the period; and
— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(l) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Note 1 Summary of Significant Accounting Policies (continued)

(m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(o) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of lease term so as to reflect a constant periodic rate of return on the net investment.

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

(p) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(t) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates and Judgements

(i) Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

With respect to cash flow projections for plant and equipment based in Australia, growth rates of 5 - 15% have been factored into valuation models for the next five years on the basis of management's expectations around the Group's continued ability to capture market share from competitors. Pre-tax discount rates of 10 - 12% have been used in all models.

An impairment has been recognised in respect of goodwill at the end of the reporting period of $107,679.

Note 1 Summary of Significant Accounting Policies (continued)

(u) Adoption of new and revised accounting standards

During the current year the Group has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Oldfields Holdings Limited.

AASB 3 Business Combinations

In March 2008 the Australian Accounting Standards Board revised AASB 3, and as a result some aspects of business combination accounting have changed. The changes apply only to business combinations which occur from 1 July 2009. Below is an overview of the key changes and the impact on the Group's financial statements in relation to the acquisition of an additional ownership interest in Scaffold Management Systems Pty Ltd.

Recognition and measurement impact

Recognition of Acquisition Costs – The revised version of AASB 3 requires that all costs associated with a business combination be expensed in the period in which they were incurred. Previously such costs were capitalised as part of the cost of the business combination.

There were no costs associated with the acquisition of an additional ownership interest in Scaffold Management Systems Pty Ltd during the current financial year.

Measurement of Contingent Considerations – The revised AASB 3 requires that contingent considerations associated with a business combination be included as part of the cost of the business combination. They are recognised at the fair value of the payment calculated having regard to probability of settlement. Any subsequent changes in the fair value or probability of payment are recognised in the statement of comprehensive income except to the extent that they relate to conditions or events existing at acquisition date in which case the consideration paid is adjusted. The previous version of AASB 3 allowed such changes to be recognised as a cost of the combination impacting goodwill.

In accounting for the acquisition of an additional ownership interest in Scaffold Management Systems Pty Ltd, no contingent consideration has been recognised. There has been no current year impact on the statement of comprehensive income.

Measurement of Non-Controlling Interest – For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at the fair value of the non-controlling interest (the 'full goodwill' method) or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Under the previous version of AASB 3 only the latter option was permitted.

In accounting for the acquisition of an additional ownership interest in Scaffold Management Systems Pty Ltd, the Group has elected to apply the full goodwill method. This has resulted in the recognition of an additional $58,618 of goodwill over and above what would have been recognised had the proportionate method been adopted.

Recognition of contingencies – The revised AASB 3 prohibits entities from recognising contingencies associated with a business combination, unless they meet the definition of a liability.

There were no contingencies associated with the acquisition of an additional ownership interest in Scaffold Management Systems Pty Ltd.

Business Combinations Achieved in Stages – The revised AASB 3 requires that where a business combination is achieved in stages, any previously held equity interest be remeasured to fair value and the resulting gain or loss being the difference between fair value and historical cost, be recognised in the statement of comprehensive income. The previous version of AASB 3 accounted for each exchange transaction separately, using cost and fair value information at the date of each exchange, to determine the amount of any goodwill associated with the acquisition. It was therefore possible to compare the cost of each individual investment with the fair value of identifiable net assets acquired at each step.

On acquisition of the additional ownership interest in Scaffold Management Systems Pty Ltd, a fair value loss of $516,000, on the pre-existing equity holding, was recognised in the statement of comprehensive income.

Disclosure impact

The revised AASB 3 contains a number of additional disclosure requirements, not required by the previous version of AASB 3. The revised disclosures are designed to ensure that users of the Group's financial statements are able to understand the nature and financial impact of any business combinations on the financial statements.

AASB 8 Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. As a result, some of the required operating segment disclosures have changed with the addition of a possible impact on the impairment testing of goodwill allocated to the cash generating units (CGUs) of the entity. Below is an overview of the key changes and the impact on the Group's financial statements.

Measurement impact

Identification and measurement of segments – AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114 segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports, using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with inter-segment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total group operations, as this is how they are reviewed by the chief operating decision maker.

Note 1 Summary of Significant Accounting Policies (continued)

(u) Adoption of new and revised accounting standards (continued)

AASB 8 Operating Segments (continued)

Impairment Testing of the Segments Goodwill

AASB 136: Impairment of Assets, para 80 requires that goodwill acquired in a business combination shall be allocated to each of the acquirer's CGUs, or group of CGUs that are expected to benefit from the synergies of the combination. Each cash generating unit (CGU) which the goodwill is allocated to must represent the lowest level within the entity at which goodwill is monitored, however it cannot be larger than an operating segment. Therefore, due to the changes in the identification of segments, there is a risk that goodwill previously allocated to a CGU which was part of a larger segment could now be allocated across multiple segments if a segment had to be split as a result of changes to AASB 8.

Management have considered the requirements of AASB 136 and determined implementation of AASB 8 has not impacted the CGU's of each operating segment.

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker. This information is now disclosed as part of the financial statements.

AASB 101 Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The group's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of "other comprehensive income" which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(v) New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

● *AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value
- simplifying the requirements for embedded derivatives
- removing the tainting rules associated with held-to-maturity assets
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- financial assets will need to be reclassified where there is a change in an entity's business model as they are initially classified based on
  (a) the objective of the entity's business model for managing the financial assets; and
  (b) the characteristics of the contractual cash flows

● *AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)*

This standard removes the requirement for government related entities to disclose details of all transaction with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

● *AASB 2009-4 "Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]" (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5 "Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010)*

These standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

Note 1 Summary of Significant Accounting Policies (continued)

(v) New Accounting Standards for application in future periods (continued)

● *AASB 2009-8 "Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]" (applicable for annual reporting periods commencing on or after 1 January 2010)*

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

● *AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010)*

The amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments are not expected to impact the Group.

● *AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)*

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.

● *AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010)*

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Interpretation is not expected to impact the Group.

● *AASB Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments" (applicable for annual reporting periods commencing from 1 July 2010).*

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group does not anticipate early adoption of any of the above Australian Accounting Standards.

Note 2 Revenue and Other Income

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
Revenue from Continuing Operations			
Sales Revenue			
— sale of goods		27,486,867	31,455,278
		27,486,867	31,455,278
Other Revenue			
— interest received	2(a)	81,211	11,235
— rental revenue from investment properties		265,002	233,141
— rental revenue of equipment		14,110,698	14,430,274
— commission		-	1,435
— gain on disposal of property, plant and equipment		71,414	-
— gain on disposal of investment properties		82,008	-
— gain on revaluation of investment property		-	712,807
— investment loan write back		-	325,000
— other income		508,710	120,092
Total Other Revenue		15,119,043	15,833,984

	2010 $	2009 $
(a) Interest revenue from:		
— other persons	81,211	11,235
Total interest revenue	81,211	11,235

Note 3 Loss for the Year

		Consolidated Group	
		2010	2009
(a)	Expenses	$	$
	Cost of sales	25,907,619	26,697,123
	Interest expense		
	— Partly owned subsidiaries	-	162,000
	— Directors	70,331	8,155
	— Other persons	1,613,298	1,815,168
	Total interest expense	1,683,629	1,985,323
	Foreign currency translation losses	10,180	(73,648)
	Impairment of goodwill	107,679	4,027,937
	Impairment of other assets	3,007,959	-
	Bad and doubtful debts:		
	— trade receivables	456,000	211,197
	Rental expense on operating leases		
	— minimum lease payments	1,751,309	1,843,343
	Loss on remeasurement of equity investment on acquisition of Scaffold Management Systems Pty Ltd	516,000	-
	Loss on revaluation of investment property	812,553	-

Note 4 Income Tax Expense

			Consolidated Group	
			2010	2009
		Note	$	$
(a)	The components of tax expense comprise:			
	Current tax		(142,803)	276,878
	Deferred tax	23	(2,381,389)	(2,079,688)
	Deferred tax assets not recognised during the year		2,732,113	2,079,688
	Reversal of deferred tax liability previously recognised		-	(22,632)
	Recoupment of prior year tax losses		(18,878)	
	Under provision in respect of prior years		-	80,559
			189,043	334,805
(b)	The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:			
	— consolidated group		(2,531,464)	(2,040,631)
	Add:			
	Tax effect of:			
	— non-deductible depreciation and amortisation		51,201	47,949
	— other non-allowable items		165,845	13,467
	— write-downs to recoverable amounts		-	(97,500)
	— share options expensed during year		8,835	17,360
	— under provision for income tax in prior year		-	80,559
			(2,305,583)	(1,978,796)
	Less:			
	Tax effect of:			
	— share of net profits of associates and joint venture entities		27,654	-
	— Difference in tax rate		-	18,475
	— Investment allowance		7,052	8,202
	— Net tax effect overseas income/loss		9,686	(58,955)
	— Current year deferred tax assets not recognised		(2,557,896)	(2,303,956)
	— Reversal of deferred tax liabilities previously recognised		-	22,633
	Recoupment of prior year tax losses not previously brought to account		18,878	-
	Income tax attributable to entity		189,043	334,805
	The applicable weighted average effective tax rates are as follows:		-2.2%	-4.9%
(c)	**Total deferred tax assets not brought to account as at 30 June 2010**			
	Deferred tax asset on tax losses		2,237,247	908,248
	Deferred tax assets relating to temporary differences		2,191,694	1,148,808
			4,428,941	2,057,056

(d) Tax effects relating to each component of other comprehensive income

	2010			2009		
	Before-tax amount	Tax (expense) benefit	Net-of-tax amount	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
Consolidated Group	$	$	$	$	$	$
Gain on revaluation of investments	(160,294)	48,088	(112,206)	258,444	(77,533)	180,911
Gain on Cash flow hedges	100,076	(30,023)	70,053	(86,874)	26,062	(60,812)
Exchange diff. on translating foreign controlled entities	423,543	(127,063)	296,480	(307,370)	92,211	(215,159)
	363,325	(108,997)	254,327	(135,800)	40,740	(95,060)

Note 5 Discontinued Operations

	Consolidated Group 2010 $	Consolidated Group 2009 $
Tangshan Hengfeng, being an associated company which the Group holds a 47.5% interest, ceased operations in December 2008.		
The financial performance of the discontinued operation during the financial year which is included in profit/(loss) from discontinued operations per the statement of comprehensive income is as follows:		
Share of associate company's (loss)/profit after income tax	(22,993)	276,752

The net cash flows of the discontinuing division have not been incorporated into the statement of cash flows as this is an associated company and as such is accounted for using the equity method.

Note 6 Interests of Key Management Personnel (KMP)

KMP Options and Rights Holdings

The number of options over ordinary shares held during the financial year by each KMP of the Group is as follows:

30 June 2010	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Expired during the year	Balance at end of year
Christopher C Hext	50,000	-	-	(50,000)	-
Anthony Mankarios	500,000	-	-	(500,000)	-
Thomas D J Love	50,000	-	-	(50,000)	-
John Roy Westwood	150,000	-	-	(150,000)	-
Kenneth E Holloway	50,000	-	-	(50,000)	-
Raymond J Titman	150,000	-	-	(150,000)	-
Gary J Guild	50,000	-	-	(50,000)	-
Maurice W Abbott	250,000	-	-	-	250,000
Braden Murrin	100,000	-	-	-	100,000
	1,350,000	-	-	(1,000,000)	350,000

30 June 2009	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Expired during the year	Balance at end of year
Christopher C Hext	50,000	-	-	-	50,000
Anthony Mankarios	500,000	-	-	-	500,000
Thomas D J Love	50,000	-	-	-	50,000
John Roy Westwood	150,000	-	-	-	150,000
Kenneth E Holloway	50,000	-	-	-	50,000
Raymond J Titman	150,000	-	-	-	150,000
Gary J Guild	50,000	-	-	-	50,000
Maurice W Abbott	250,000	-	-	-	250,000
Braden Murrin	100,000	-	-	-	100,000
	1,350,000	-	-	-	1,350,000

KMP Shareholdings

The number of ordinary shares in Oldfields Holdings Limited held by each KMP of the Group during the financial year is as follows:

30 June 2010	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Christopher C Hext	830,000	-	-	1,445,614	2,275,614
Anthony Mankarios	2,088,030	-	-	933,060	3,021,090
Thomas D J Love	94,800	-	-	82,400	177,200
John Roy Westwood	3,460,000	-	-	1,953,144	5,413,144
William Lewis Timms	-	-	-	6,160,000	6,160,000
Michael Leo Stafford	-	-	-	17,544	17,544
Raymond J Titman	7,975	-	-	3,987	11,962
Gary J Guild	7,897	-	-	3,589	11,486
Maurice W Abbott	964,544	-	-	93,461	1,058,005
Kenneth E Holloway	12,665	-	-	6,340	19,005
	7,465,911	-	-	10,699,139	18,165,050

Note 6 Interests of Key Management Personnel (KMP) (continued)

KMP Shareholdings (continued)

30 June 2009	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Christopher C Hext	810,000	-	-	20,000	830,000
Anthony Mankarios	2,074,497	-	-	13,533	2,088,030
Thomas D J Love	94,800	-	-	-	94,800
John Roy Westwood	3,410,000	-	-	50,000	3,460,000
Maurice W Abbott	385,544	-	-	579,000	964,544
Kenneth E Holloway	11,660	-	-	1,005	12,665
Raymond J Titman	7,342	-	-	633	7,975
Gary J Guild	7,270	-	-	627	7,897
	6,801,113	-	-	664,798	7,465,911

Other changes during the year as noted above predominately relate to the pro-rata rights issues which were finalised on 16 November 2009 and 21 July 2010.

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

For details of other transactions with KMP, refer to Note 31: Related Party Transactions.

Note 7 Auditors' Remuneration

	Consolidated Group 2010 $	Consolidated Group 2009 $
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	194,282	146,500
— taxation services	43,700	46,400
— due diligence services	-	19,000
— taxation services provided by related practice of auditor	-	-
— accounting services	-	60,555
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial report of subsidiaries	-	13,650

Note 8 Dividends

	Consolidated Group 2010 $	Consolidated Group 2009 $
Distributions paid		
No interim dividend was paid or declared in 2010. In 2009 an interim fully franked dividend of 1 cent per share was paid 16th June, 2009.	-	130,154
No final dividend was paid or declared in 2010. In 2009 a final unfranked dividend of 4.5 cents per share was paid in December 2008.	-	642,181
	-	-
	-	772,335
(a) Balance of franking account at year end adjusted for franking credits arising from:		
— payment of provision for income tax		
— dividends recognised as receivables, and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years	501,323	171,579
	501,323	171,579

Note 9 Earnings per Share

		Consolidated Group 2010 $	Consolidated Group 2009 $
(a)	Reconciliation of earnings to profit or loss		
	Loss	(8,650,248)	(7,136,907)
	Loss attributable to non-controlling interest	948,902	122,937
	Earnings used in the calculation of basic and dilutive EPS	(7,701,346)	(7,013,970)
(b)	Reconciliation of earnings to profit or loss from continuing operations		
	Loss from continuing operations	(8,627,255)	(7,413,659)
	Loss attributable to non-controlling interest in respect of continuing operations	948,902	122,937
	Earnings used in the calculation of basic and dilutive EPS from continuing operations	(7,678,353)	(7,290,722)
(c)	Reconciliation of earnings to profit or loss from discontinuing operations		
	(Loss)/Profit from discontinuing operations	(22,993)	276,752
	Profit attributable to non-controlling interest	-	-
	Earnings used to calculated basic EPS from discontinuing operations	(22,993)	276,752
		No.	No.
(d)	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	20,632,445	14,171,667
	Weighted average number of dilutive options outstanding	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	20,632,445	14,171,667

Options have not been included in the calculation of dilutive earnings per share as these are anti-dilutive in nature and would artificially increase the earnings per share amount.

Note 10 Cash and Cash Equivalents

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
Cash at bank and in hand		316,776	588,917
		316,776	588,917

Reconciliation of cash

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

	Note	2010 $	2009 $
Cash and cash equivalents		316,776	588,917
Bank overdrafts	22	(2,477,442)	(1,542,796)
		(2,160,666)	(953,879)

Note 11 Trade and Other Receivables

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
CURRENT			
Trade receivables		6,164,217	4,865,305
Provision for impairment	11a	(436,769)	(159,256)
		5,727,448	4,706,049
Amounts receivable from:			
— associated companies		500,624	603,259
— other receivables		209,849	783,894
Total current trade and other receivables		6,437,921	6,093,202
NON-CURRENT			
Trade receivables		-	125,000
Total non-current trade and other receivables		-	125,000

Note 11 Trade and Other Receivables (continued)

(a) **Provision For Impairment of Receivables**

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts have been included as other expenses in the consolidated statement of comprehensive income.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 1/07/2009	Charge for the Year	Amounts Written Off	Closing Balance 30/06/2010
Consolidated Group	$	$	$	$
Current trade receivables	(159,256)	(451,904)	174,391	(436,769)
	(159,256)	(451,904)	174,391	(436,769)

	Opening Balance 1/07/2008	Charge for the Year	Amounts Written Off	Closing Balance 30/06/2009
Consolidated Group	$	$	$	$
Current trade receivables	(70,997)	(123,121)	34,862	(159,256)
	(70,997)	(123,121)	34,862	(159,256)

Credit risk - Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group. The company holds insurance policies for select Trade Debtors.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2010	$	$	$	$	$	$	$
Trade and term receivables	6,164,217	436,769	364,819	84,186	-	-	5,278,443
Other receivables	710,473	-	-	-	-	32,666	677,807
Total	6,874,690	436,769	364,819	84,186	-	32,666	5,956,250

Consolidated Group	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2009	$	$	$	$	$	$	$
Trade and term receivables	4,865,305	159,256	-	1,393,328	494,475	774,598	2,043,648
Other receivables	1,387,153	-	-	39,139	40,707	226,345	1,080,962
Total	6,252,458	159,256	-	1,432,467	535,182	1,000,943	3,124,610

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

	Note	Consolidated Group 2010	2009
(b) **Financial Assets classified as loans and receivables**	**Note**	$	$
Trade and other Receivables			
— Total Current		6,437,921	6,093,202
— Total Non-Current		-	125,000
Financial Assets	32	6,437,921	6,218,202

Note 12 Inventories

	Consolidated Group 2010	2009
	$	$
CURRENT		
At cost		
Raw materials and stores	3,823,687	2,702,991
Work in progress	3,461	1,094,650
Finished goods	3,599,848	5,903,837
Goods in transit	431,986	-
	7,858,982	9,701,478
Less provisions	(1,586,057)	(63,342)
	6,272,925	9,638,136

The increase in provisions predominately relates to inventory held by H&O Products Pty Ltd.

Note 13 Investments Accounted for Using the Equity Method

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
Associated companies	14a	2,712,355	2,407,837
		2,712,355	2,407,837

Note 14 Associated Companies

Interests are held in the following associated companies:

	Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest 2010 %	Ownership Interest 2009 %	Carrying Amount of Investment 2010 $000	Carrying Amount of Investment 2009 $000
	Unlisted:							
(i)	PT Ace Oldfields	Paint Brush Manufacturer	Indonesia	Ordinary	49.00%	49.00%	1,285,252	747,605
	Brisbane Garden Sheds	Garden Shed Supplier	Australia	Ordinary	50.00%	50.00%	-	19,937
(ii)	Scaffold Mgt Systems	Scaffold Supplier	Australia	Ordinary	100.00%	34.60%	-	224,611
	Enduring Enterprises	Hardware Reseller	Singapore	Ordinary	49.00%	49.00%	98,606	118,668
(iii)	Honeytree & Partners	Hardware Marketing	Singapore	Ordinary	49.00%	16.95%	126,985	-
(iv)	Tangshan Hengfeng	Paint Brush Manufacturer	China	Ordinary	47.50%	47.50%	1,201,512	1,297,016
							2,712,355	2,407,837

(i) The Group contributed $112,000 in February 2010 and $238,150 in April 2010 to a rights issue in PT Ace Oldfields, being our manufacturing plant in Jakarta. After this rights issue, the Group remained a 49% shareholder as all shareholders took up their pro-rata rights. The funds were used to reduce debt and provide working capital.

(ii) During the year, the Group acquired a further 65.4% interest in Scaffold Management Systems Pty Ltd (formerly known as Concrete Pumping System Pty Ltd) which resulted in gaining control of the company. As such Scaffold Management Systems Pty Ltd is no longer an associate, rather it is a controlled entity and therefore, the Group's share of the operating profit has not been included in the results of the associated companies.

(iii) As a result of the acquisition of the additional shares in Scaffold Management Systems Pty Ltd, the Group recognised the investment in Honeytree & Partners as an associated company.

(iv) The investment in Tangshan Hengfeng is considered recoverable based on an independent valuation of the land obtained as at 31 December 2009.

(a) **Movements during the Year in Equity Accounted Investment in Associated Companies**

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
Balance at beginning of the financial year		2,407,837	1,968,916
New investments during the year		472,292	230,199
Share of associated company's profit after income tax	14b	69,184	145,616
Disposals during the year		(224,611)	-
Share of associated company's movement in reserves		(12,347)	63,106
Balance at end of the financial year		2,712,355	2,407,837

(b) **Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associates**

	2010	2009
Current assets	4,106,791	3,819,478
Non-current assets	1,956,520	1,977,703
Total assets	6,063,311	5,797,181
Current liabilities	2,340,955	2,686,934
Non-current liabilities	1,112,308	1,139,210
Total liabilities	3,453,263	3,826,144
Net assets	2,610,048	1,971,037
Revenues	6,188,567	7,031,241
Profit after income tax of associates	69,184	145,616

Note 15 Derivatives

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
CURRENT			
Forward exchange contracts		9,241	(60,812)
	32	9,241	(60,812)

Forward exchange contracts and interest rate swaps are used to hedge cash flow risk associated with future transactions. Gains and losses arising from changes in the fair value of derivatives are initially recognised directly in a hedge reserve in the equity section of the statement of financial position. At the date of the transaction, amounts included in the hedge reserve are transferred from equity and included in either the statement of comprehensive income or the cost of assets. The statement of changes in equity includes transfers to and from the hedge reserve.

Note 16 Controlled Entities

(a) **Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)* 2010	2009
Subsidiaries of Oldfields Holdings Limited:			
Oldfields Pty Limited	Australia	100.00%	100.00%
Oldfields Access Pty Limited	Australia	100.00%	100.00%
Oldfields Administration Pty Limited	Australia	100.00%	100.00%
Oldfields International Pty Limited	Australia	100.00%	100.00%
Advantage Contracting Pty Limited	Australia	100.00%	100.00%
Advantage Scaffolding Pty Limited	Australia	100.00%	100.00%
Shed Holdings Pty Limited	Australia	100.00%	100.00%
Advance Scaffold Solutions Pty Limited	Australia	100.00%	100.00%
NOST Investments Pty limited	Australia	100.00%	100.00%
Subsidiaries of Oldfields Pty Limited:			
Midco Pty Limited	Australia	100.00%	100.00%
Subsidiaries of Oldfields Access Pty Limited:			
Adelaide Scaffold Solutions Pty Limited	Australia	60.00%	65.00%
Subsidiaries of Oldfields Administration Pty Limited:			
National Office Service Trust	Australia	100.00%	100.00%
Subsidiaries of NOST Investments Pty Limited:			
H & O Products Pty Limited	Australia	75.00%	75.00%
Subsidiaries of Oldfields International Pty Limited:			
Oldfields (NZ) Limited	New Zealand	100.00%	100.00%
Oldfields Paint Applications (NZ) Limited	New Zealand	100.00%	100.00%
Oldfields USA Incorporated	USA	100.00%	100.00%
Scaffold Management Systems Pty Limited - formerly Concrete Pumping Systems Pty Ltd	Australia	100.00%	34.60%
Subsidiaries of Shed Holdings Pty Limited:			
Backyard Installations Pty Limited	Australia	100.00%	100.00%
Sheds Plus Pty Limited	Australia	100.00%	100.00%
Adelaide Garden Sheds Pty Limited	Australia	100.00%	100.00%
Subsidiaries of Advance Scaffold Solutions Pty Limited:			
Scaffold The World Pty Limited	Australia	100.00%	100.00%
Foshan Advcorp Pty Limited	China	100.00%	100.00%

* Percentage of voting power is in proportion to ownership

(b) **Acquisition of Controlled Entities**

During the year, the Group acquired a further 65.4% interest in Scaffold Management Systems Pty Ltd (formerly known as Concrete Pumping System Pty Ltd) which resulted in the Group gaining control of the company. As such Scaffold Management Systems Pty Ltd is no longer an associate, rather it is a controlled entity and therefore, the Group's share of the operating profit has not been included in the results of the associated companies.

	Note	Fair value $
- Purchase consideration:		
- Cash		30,545
- Previously held 34.6% equity interest (i)		(301,555)
		(271,010)
Less:		
Identifiable assets acquired and liabilities assumed	28(d)	(329,628)
Goodwill (ii)		58,618

i The Group previously held 34.6% equity interest in Scaffold Management Systems Pty Ltd prior to the acquisition date. Upon remeasuring that equity interest to fair value a loss of $516,000 has been recognised. This loss has been recognised as a loss on acquisition of controlled entity within the statement of comprehensive income.

ii The goodwill is attributable to the significant synergies expected to arise after the Group's acquisition of the remaining shares in Scaffold Management Systems Pty Ltd. No amount of the goodwill is deductible for tax purposes.

Revenue of Scaffold Management Systems Pty Ltd included in the consolidated revenue of the Group since acquisition date on 31 May 2010 amounted to $304,815. Profit of the company included in consolidated loss of the Group since the acquisition date amounted to $106,704.

Had the results of Scaffold Management Systems Pty Ltd been consolidated from 1 July 2009, there would have been no material impact on the consolidated loss of the Group as the entity was not actively trading prior to 31 May 2010.

(c) **Disposal of Shares in Controlled Entities**

On 31 August 2009, the Group disposed of a 5% interest in Adelaide Scaffold Solutions Pty Ltd. The proceeds from this sale were $174,050.

Note 17 Property, Plant and Equipment

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
LAND AND BUILDINGS			
Freehold land at:			
— directors' valuation (24 July 2010)	18(iI)	350,658	-
— independent valuation (June 2010)	18(i)	879,100	1,229,758
Total Land		1,229,758	1,229,758
Buildings at:			
— directors' valuation (24 July 2010)	18(iI)	44,022	-
— independent valuation (17 June 2010)	18(ii)	740,900	150,282
— at cost		-	1,136,271
Less accumulated depreciation		-	(31,916)
Total Buildings		784,922	1,254,637
Total Land and Buildings		2,014,680	2,484,395
PLANT AND EQUIPMENT			
Plant and equipment:			
At cost		15,835,724	16,768,592
Accumulated depreciation		(4,900,906)	(4,804,711)
Accumulated impairment losses	18(iii)	(975,756)	-
		9,959,062	11,963,881
Leasehold improvements			
At cost		309,495	395,152
Accumulated amortisation		(162,402)	(174,168)
Total Leasehold Improvements		147,093	220,984
Leased plant and equipment			
Capitalised leased assets		2,529,626	2,790,048
Accumulated depreciation		(1,644,072)	(1,738,469)
		885,554	1,051,579
Total plant and equipment		10,991,709	13,236,444
Total Property, Plant and Equipment		13,006,389	15,720,839

(i) Land and buildings at Archerfield in Queensland were revalued at 17 June 2010 by independent valuers. Valuations were made on the basis of open market value.

(ii) Land and buildings at St Marys New South Wales were revalued at 24 July 2010 by the directors of Oldfields Holdings Limited.

(iii) Accumulated impairment losses in plant and equipment predominately relate to assets held by H&O Products Pty Ltd.

(iv) Included in the plant and equipment balance is hire fleet of Oldfields Access Pty Ltd amounting to $7,238,804 which was independently valued by Independent Valuers and Auctioneers Pty Ltd on 27 July 2010.

(a) **Movements in Carrying Amounts**

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

	Land & Buildings $	Leasehold Improvements $	Plant and Equipment $	Leased Plant and Equipment $	Total $
Consolidated Group:					
Balance at 1 July 2008	4,447,381	203,609	11,474,554	1,088,343	17,213,887
Additions	1,818	73,058	3,086,370	609,460	3,770,706
Disposals	(352,730)	(8,062)	(300,604)	(198,441)	(859,837)
Transfer to Investment Property	(1,647,641)	(1,850)	-	-	(1,649,491)
Transfer to Software	-	-	(63,903)	-	(63,903)
Revaluation increments / (decrements)	61,255	-	(976,041)	-	(914,786)
Depreciation expense	(25,688)	(45,771)	(1,256,495)	(447,783)	(1,775,737)
Balance at 30 June 2009	2,484,395	220,984	11,963,881	1,051,579	15,720,839
Additions	-	107,749	809,964	303,783	1,221,496
Disposals	(410,424)	-	(550,354)	(106,408)	(1,067,186)
Revaluation increments / (decrements)	-	(129,187)	-	-	(129,187)
Depreciation expense	(59,291)	(52,453)	(1,288,673)	(363,400)	(1,763,817)
Accumulated impairment losses	-	-	(975,756)	-	(975,756)
Balance at 30 June 2010	2,014,680	147,093	9,959,062	885,554	13,006,389

Note 18 Investment Property

	Consolidated Group	
	2010	2009
	$	$
Balance at beginning of year	4,316,900	2,694,336
Disposals	(1,600,000)	1,768,777
Accumulated amortisation	-	(111,011)
Fair value adjustments	(511,580)	(35,202)
Balance at end of year	2,205,320	4,316,900

The fair value model is applied to all investment property. The Investment property at St Marys New South Wales was valued by the directors on 24 July 2010.

Note 19 Intangible Assets

	Consolidated Group	
	2010	2009
Goodwill	$	$
Cost	5,126,519	5,067,901
Accumulated impaired losses	(4,135,616)	(4,027,937)
Net carrying value	990,903	1,039,964
Trademarks and licenses		
Cost	237,264	221,387
Accumulated amortisation and impairment	(128,027)	(90,187)
Net carrying value	109,237	131,200
Development costs		
Software	212,907	311,351
Accumulated amortisation	(110,236)	(221,527)
	102,671	89,824
Total intangibles	1,202,811	1,260,988

Consolidated Group:

	Goodwill	Trademarks & Licenses	Software Development Costs
	$	$	$
Year ended 30 June 2009			
Balance at the beginning of year	4,828,234	136,922	60,098
Additions	239,667	18,575	63,903
Amortisation charge	-	(24,297)	(34,177)
Impairment losses	(4,027,937)	-	-
	1,039,964	131,200	89,824
Year ended 30 June 2010			
Balance at the beginning of year	1,039,964	131,200	89,824
Additions	-	10,597	128,161
Acquisitions through business combinations	58,618	-	-
Disposals	-	-	(5,852)
Amortisation charge	(107,679)	(20,560)	(51,929)
Impairment losses	-	(12,000)	(57,533)
Closing value at 30 June 2010	990,903	109,237	102,671

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under impairment expense per the statement of comprehensive income. Goodwill has an infinite life.

Note 19 Intangible Assets (continued)

Impairment Disclosures

Goodwill is allocated to cash-generating units which are based on the group's reporting segments

	2010	2009
	$	$
Manufacturing segment	-	-
Wholesale segment	152,474	260,152
Scaffolding segment	838,429	779,812
Total	990,903	1,039,964

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period.

The following assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
Wholesale segment	5 - 15%	12.00%
Scaffolding segment	5 - 10%	12.00%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

Note 20 Other Assets

	Consolidated Group	
	2010	2009
	$	$
CURRENT		
Prepayments	480,631	599,776
	480,631	599,776

Note 21 Trade and Other Payables

	Consolidated Group	
	2010	2009
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	4,851,996	3,630,736
Sundry payables and accrued expenses	1,800,929	2,497,556
Amounts payable to:		
— other related parties	-	523,435
	6,652,925	6,651,727

Note 22 Borrowings

	Note	Consolidated Group	
		2010	2009
		$	$
CURRENT			
Secured liabilities			
Bank overdrafts	22a	2,477,442	1,542,796
Bank loans	22a	-	4,766,003
Lease liability		33,536	65,026
Hire purchase liability		677,528	629,981
Total current borrowings		3,188,506	7,003,806
NON-CURRENT			
Unsecured liabilities			
Other related parties		1,523,040	2,147,320
		1,523,040	2,147,320
Secured liabilities			
Bank loans	22a	16,078,323	13,303,355
Lease liability		-	51,064
Hire purchase liability		701,803	877,199
		16,780,126	14,231,618
Total non-current borrowings		18,303,166	16,378,938
Total borrowings		21,491,672	23,382,744

Note 22 Borrowings (continued)

		Consolidated Group	
		2010	2009
		$	$
(a)	Total current and non-current secured liabilities:		
	Bank overdraft	2,477,442	1,542,796
	Bank loan	16,078,323	18,069,358
	Lease Liability	33,536	116,090
	Other related party	1,523,040	2,147,320
	Hire purchase liability	1,379,331	1,507,180
		21,491,672	23,382,744

On 31 July 2010, the Group renewed the agreement with its bankers for a further two year period with an annual review. The next annual review is 31 July 2011. The bank has agreed to significantly reduced principal repayments over the next 12 months. The banks facility agreement includes normal commercial terms and conditions which are subject to such covenants as:
- interest cover ratios;
- capital expenditure limits;
- creditors days limits;
- debtors days limits for both domestic and overseas customers; and
- the Group cannot create or acquire a new subsidiary unless that subsidiary becomes a party to the agreement;

(b)	The carrying amounts of non-current assets pledged as security are:		
	Investment property	2,205,320	4,316,900
	Freehold land and buildings	2,014,680	2,014,680
	Floating charge over assets, including listed investments at market value	28,343,386	34,697,861
		32,563,386	41,029,441

Collateral provided

(c) The bank overdrafts of the parent entity and controlled entities are secured by a floating charge over assets of the Group.

(d) The bank debt and mortgage loans are secured by a registered first mortgage over certain freehold properties owned by the group.

(e) Lease liabilities are secured by the underlying leased assets. Hire purchase liabilities are secured by a charge over the hire purchased assets.

	Note	Consolidated Group	
		2010	2009
		$	$
Cash and cash equivalents	10	316,776	588,917
Trade receivables	11	5,727,448	4,706,049
Total financial assets pledged		6,044,224	5,294,966

Note 23 Tax

	Consolidated Group	
	2010	2009
	$	$
CURRENT		
Income Tax Payable	97,934	370,015
TOTAL	97,934	370,015

NON-CURRENT	Opening Balance	Charged to Income	Closing Balance
Consolidated Group	$	$	$
Deferred Tax Liability			
Property, Plant and Equipment			
- tax allowance	140,063	(140,063)	-
Tangible assets revaluation	280,294	(280,294)	-
Prepayment	12,478	(12,478)	-
Leases	27,375	(27,375)	-
Investment	23,153	(23,153)	-
Foreign exchange loss	19,533	(19,533)	-
loss on sale of assets	20,780	(20,780)	-
Other	(501,044)	501,044	-
Balance as at 30 June 2009	22,632	(22,632)	-
Deferred Tax Assets			
Provisions	379,702	(379,702)	-
Transaction costs on equity issue	4,923	(4,923)	-
Accruals	44,963	(44,963)	-
NZ Subsidiary interest expense	58,160	(58,160)	-
Other	(487,748)	487,748	-
Balance as at 30 June 2009	-	-	-
Provisions	-	59,347	59,347
Other	-	1,684	1,684
Balance as at 30 June 2010	-	61,031	61,031

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur:
- temporary differences $2,191,694 (2009: $1,807,420)
- tax losses: $2,237,247 (2009: $1,991,445)

Note 24 Provisions

	Consolidated Group	
	2010	2009
CURRENT	$	$
Short-term Employee Benefits		
Opening balance at 1 July 2009	969,631	1,029,047
Additional provisions	659,782	612,958
Amounts used	(556,199)	(672,374)
Balance at 30 June 2010	1,073,214	969,631
Other Provisions		
Opening balance at 1 July 2009	985,711	985,711
Additional provisions	78,633	-
Amounts used	(985,711)	-
Balance at 30 June 2010	78,633	985,711

	Consolidated Group	
	2010	2009
NON CURRENT	$	$
Long-term Employee Benefits		
Opening balance at 1 July 2009	143,460	154,866
Additional provisions	41,023	133,113
Amounts used	(37,136)	(144,519)
Balance at 30 June 2010	147,347	143,460

Analysis of Total Provisions	Consolidated Group	
	2010	2009
	$	$
Current	1,151,847	1,955,342
Non-current	147,347	143,460
	1,299,194	2,098,802

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Short-term employee benefits includes annual leave and the current obligations for long service leave payable within 12 months.

Other provisions relate redundancies payable on winding up of H&O Products Pty Ltd by 31 October 2010.

Long-term employee benefits includes obligations for long service leave not payable within 12 months.

Note 25 Issued Capital

	Consolidated Group	
	2010	2009
	$	$
27,995,763 fully paid ordinary shares (2009: 14,320,868)	15,657,109	12,141,959
	15,657,109	12,141,959

The company has authorised share capital amounting to 27,995,763 ordinary shares.

(a) **Ordinary Shares**	Consolidated Group	
	2010	2009
	No.	No.
At the beginning of the reporting period	14,320,868	12,835,957
Shares issued during the year		
— 6 July 2009 (2009: 1 July 2008)	1,223,451	580,000
— 14 August 2009 (2009: 20 August 2008)	200,000	774,727
— 16 November 2009 (2009: 1 September 2008)	2,263,514	80,000
— 20 November 2009 (2009: 15 December 2008)	100,000	37,171
— 23 December 2009 (2009: 16 June 2009)	5,508,646	13,013
— 14 May 2010	4,379,284	-
At the end of the reporting period	27,995,763	14,320,868

On 6 July 2009, the company issued 1,223,451 ordinary shares as part of a tranche payment in relation to the acquisition of Advance Scaffold Solutions Pty Ltd.
On 14 August 2009, the company issued 200,000 ordinary shares as part of a tranche payment in relation to the acquisition of H&O Products Pty Ltd.

On 16 November 2009, the company issued 2,263,514 ordinary shares at $0.285 each to shareholders on the basis of 1 share for every 2 shares held raising $645,101
On 20 November 2009, the company issued 100,000 ordinary shares at $0.285 each to shareholders raising $28,500.

On 23 December 2009, the company issued 5,508,646 ordinary shares at $0.285 each to shareholders on the basis of 1 share for every 2 shares held raising $1,569,964.

On 14 May 2010 the company issued 4,379,284 ordinary shares at $0.17 each to shareholders on the basis of 1 share for every 2.5 shares held raising $744,478.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

Note 25 Issued Capital (continued)

(b) **Options**

(i) For information relating to the Oldfields Holdings Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end. Refer to Note 29: Share-based Payments.

(ii) For information relating to share options issued to key management personnel during the financial year. Refer to Note 29: Share-based Payments.

(c) **Capital Management**

Management control the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, redeemable preference shares, convertible preference shares and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the groups financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

		Consolidated Group	
		2010	2009
	Note	$	$
Total borrowings	21, 22	28,144,597	30,034,471
Less cash and cash equivalents	10	(316,776)	(588,917)
Net debt		27,827,821	29,445,554
Total equity		3,163,675	8,187,497
Total capital		30,991,496	37,633,051
Gearing ratio		90%	78%

Note 26 Capital and Leasing Commitments

		Consolidated Group	
		2010	2009
	Note	$	$
(a) **Finance Lease and Hire Purchase Commitments**			
Payable — minimum lease payments			
— not later than 12 months		860,319	856,261
— between 12 months and 5 years		723,891	1,031,763
— greater than 5 years		-	-
Minimum lease payments		1,584,210	1,888,024
Less future finance charges		(171,343)	(264,754)
Present value of minimum lease payments	22	1,412,867	1,623,270

	Consolidated Group	
	2010	2009
(b) **Operating Lease Commitments**	$	$
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	1,095,153	1,321,231
— between 12 months and 5 years	2,010,378	1,203,375
— greater than 5 years	-	-
	3,105,531	2,524,606

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the lower of CPI or 5% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years. The lease allows for subletting of all lease areas.

Note 27 Operating Segments

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- any external regulatory requirements.

The Group has identified the following reportable segments:

- Wholesale/Retail
- Scaffold Division
- Consumer Products
- Property Division
- Corporate Division

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions

All inter-segment transactions are eliminated on consolidation for the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority of economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(f) Comparative information

As a result of restructuring the group's financial departments and changes to the manner in which the group's internal management reports were produced, comparative segment information would have little relevance to the current information provided and the cost to develop such relevant comparatives would have been excessive.

(i) Segment performance

30 June 2010	Wholesale Retail $	Scaffolding $	Consumer $	Property $	Corporate $	Total $
REVENUE						
External sales	15,780,488	19,794,837	6,022,243	-	-	41,597,568
Other revenue	348,830	2,327,017	18,055	550,337	5,787,928	9,032,167
Inter-segment elimination						(8,023,825)
Total segment revenue	16,129,318	22,121,854	6,040,298	550,337	5,787,928	42,605,910
Segment net profit before tax						
Reconciliation of segment result to group net loss before tax						
Net loss before tax	(1,867,198)	(5,253,190)	(4,859,084)	(784,026)	(3,206,414)	(15,969,912)
— Depreciation and amortisation	242,790	877,461	194,416	871,845	170,500	
— Impairment of intangibles	878	226,171	1,533,072	-	-	
— Impairment of property, plant and equipment	149,888	-	1,205,628	-	-	
— Finance costs	567,302	807,476	201,819	313,687	118,288	
Inter-segment elimination						7,531,700
Net loss before tax from continuing operations						(8,438,212)

Note 27 Operating Segments (continued)

(ii) Segment assets

30 June 2010	**Wholesale Retail $**	**Scaffolding $**	**Consumer $**	**Property $**	**Corporate $**	**Total $**
Segment assets	20,589,617	20,244,393	5,758,698	4,369,739	19,339,487	70,301,934
Inter-segment elimination						(37,596,534)
Total group assets						32,705,400

(iii) Segment liabilities

30 June 2010	**Wholesale Retail $**	**Scaffolding $**	**Consumer $**	**Property $**	**Corporate $**	**Total $**
Segment liabilities	(17,066,904)	(23,353,612)	(10,244,375)	(4,448,992)	(7,631,929)	(62,745,812)
Inter-segment elimination						33,204,087
Total group liabilities						(29,541,725)

(iv) Revenue by geographical region

	Wholesale Retail $	**Scaffolding $**	**Consumer $**	**Property $**	**Corporate $**	**Total $**
Australia	16,129,318	19,218,978	6,040,298	550,337	5,787,928	47,726,859
South East Asia		2,902,876				2,902,876
Inter-segment elimination						(8,023,825)
Total revenue	16,129,318	22,121,854	6,040,298	550,337	5,787,928	42,605,910

Note 28 Cash Flow Information

	Consolidated Group 2010 $	Consolidated Group 2009 $
(a) **Reconciliation of Cash Flow from Operations with Loss after Income Tax**		
Loss after income tax	(8,650,248)	(7,136,907)
Cash flows excluded from loss attributable to operating activities		
Finance costs on debentures		
Non-cash flows in loss		
Impairment loss	3,115,637	4,027,937
Unrealised foreign exchange	-	82,482
Depreciation	1,544,459	1,775,737
Write back of loans	-	(325,212)
Stock recoveries	-	(221,779)
Net (gain)/loss on remeasurement of equity investment due to business combination	516,000	-
Net (gain)/loss on disposal of property, plant and equipment	(71,414)	(342,332)
Net (gain)/loss on disposal of investments	(82,008)	-
Unrealised (gain)/loss on investments and derivatives	812,553	-
Share options expensed	29,449	53,197
Share of associated companies net profit after income tax and dividends	(69,184)	(145,616)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	(2,151,636)	127,402
(Increase)/decrease in prepayments	135,432	70,346
(Increase)/decrease in inventories	1,948,220	(584,029)
Increase/(decrease) in trade payables and accruals	1,764,805	410,854
Increase/(decrease) in income taxes payable	(199,357)	(104,022)
Increase/(decrease) in deferred taxes payable	(219,116)	(22,632)
Increase/(decrease) in provisions	592,032	(70,822)
Cash flow from operations	(984,376)	(2,405,396)

Note 28 Cash Flow Information (continued)

(b) **Acquisition of Entities**

During the financial year ended 30 June 2010, a further 65.4% ownership in Scaffold Management Systems Pty Ltd (SMS) was acquired. During the financial year ended 30 June 2009, 75% of the controlled entity, H&O Products Pty Ltd, acquired the business from H&O Pharmaceuticals Pty Ltd. Details of these transaction are:

Purchase consideration	30,545	3,401,464
Consisting of:		
— Cash consideration	30,545	3,401,464
— Shares issued	-	(847,569)
— Contingent consideration	-	-
Total consideration	30,545	2,553,895
Cash consideration	30,545	3,401,464
Amounts due under contract of sale	-	-
Cash outflow	30,545	3,401,464
Assets and liabilities held at acquisition date:		
Receivables	157,579	-
Prepayments	132,320	18,121
Inventories	-	2,210,618
Investments	19,682	-
Property, plant and equipment	-	1,200,255
Provisions	-	(27,530)
Payables	(639,209)	-
	(329,628)	3,401,464
Fair value of previously held interest in Scaffold Management Systems Pty Ltd	301,555	-
Goodwill on consolidation	58,618	-
Minority equity interests in acquisition	-	(847,569)
	30,545	2,553,895

The goodwill is attributable to the significant synergies expected to arise after the Group's acquisition of Scaffold Management Systems Pty Ltd.

Note 29 Share-based Payments

	Consolidated Group	
The following share based payment arrangements existed at 30 June 2010:	Number	Weighted average exercise price
Outstanding as at 30 June 2008	1,425,000	$1.20
Granted	350,000	$1.20
Forfeited	(150,000)	$1.20
Outstanding as at 30 June 2009	1,625,000	
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	(1,275,000)	-
Outstanding as at 30 June 2010	350,000	
Options exercisable as at 30 June 2010:	350,000	
Options exercisable as at 30 June 2009:	1,625,000	

As at the date of exercise, the weighted average share price of options exercised during the year was $1.20.

The weighted average remaining contractual life of options outstanding at year end was less than 1 year. The exercise price of outstanding shares at the end of the reporting period was $1.20.

Note 30 Events After the Reporting Period

• On the 22 July 2010, the recent capital raising by way of a pro-rata, non-renounceable rights issue was fully subscribed. In addition, the debt payable to U.F.B.A. Pty Ltd for $500,000 was converted to shares.
• On 29 July 2010, the company signed an agreement with its bankers for a finance facility for a further two year period with an annual review. The next annual review is 31 July 2011.

Note 31 Related Party Transactions

			Consolidated Group	
			2010	2009
			$	$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.				
Transactions with related parties:				
(b) **Associated Companies**				
Purchases from Enduring Enterprises being Paint Brushes and Rollers			1,455,248	1,204,413
Loans Outstanding under normal commercial terms and conditions by Scaffold Management Systems Pty Limited			-	25,118
Sales to Brisbane Garden Sheds Pty Ltd being sheds and components			590,442	778,889
(c) **Other Related Parties**				
Rent paid to 8 Farrow Road Pty Limited Owned by Mr John R Westwood			470,919	471,712
Interest Paid to	Kon Holdings	a related Party of H & O Products	0	90,317
	Luke Sibley	a related Party of Adelaide Scaffold Solutions	54,000	54,000
	Directors	a related Party of Oldfields Holdings	60,416	8,217
Administration service fee paid to Sibley Investments Pty Ltd a related party of Adelaide Scaffold Solutions.			205,740	146,965
Dividends Paid to Sibley Investments Pty Ltd, a related party of Adelaide Scaffold Solutions.			172,500	147,500
Facilitation Fee Paid to Directors in relation to underwriting the Rights Issues:-				
Timms and Timms			90,324	-
UBFA Pty Limited			14,088	-

Note 32 Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans, loans to and from subsidiaries, bills and hire purchase leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2010	2009
	Note	$	$
Financial Assets			
Cash and cash equivalents	10	316,776	588,917
Financial assets at fair value through profit or loss			
— derivative instruments	15	9,241	(60,812)
Loans and receivables	11b	6,437,921	6,218,202
Total Financial Assets		6,763,938	6,746,307
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	21	6,652,925	6,651,727
— Borrowings	23	21,491,672	23,382,744
Total Financial Liabilities		28,144,597	30,034,471

Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 to 45 days from the end of the month.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 11.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 11.

Note 32 Financial Risk Management (continued)

	Note	Consolidated Group 2010 $	Consolidated Group 2009 $
Cash and cash equivalents			
- AA Rated	10	316,776	588,917
- A Rated		-	-
Held-to-maturity securities			
- AAA Rated		-	313,314

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- monitoring undrawn credit facilities
- maintaining a reputable credit profile
- managing credit risk related to financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. The bank does however maintain the right to review the facilities annually. The next annual review date is 31 July 2010. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore defer from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $
Financial liabilities due for payment								
Bank overdrafts and loans	2,477,442	6,308,799	16,078,323	13,303,355	-	-	18,555,765	19,612,154
Trade and other payables	6,652,925	6,651,727	-		-	-	6,652,925	6,651,727
Amounts payable to related parties	-	-	1,523,040	2,147,320	-	-	1,523,040	2,147,320
Financial lease liabilities	711,064	695,007	701,803	928,263	-	-	1,412,867	1,623,270
Total	9,841,431	13,655,533	18,303,166	16,378,938	-	-	28,144,597	30,034,471

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $	2010 $	2009 $
Financial Assets - cash flows realisable								
Cash and cash equivalents	316,776	588,917	-	-	-	-	316,776	588,917
Trade, term and loans receivables	6,437,921	6,093,202	-	125,000	-	-	6,437,921	6,218,202
Forward exchange contracts - gross settled	9,241	60,812	-	-	-	-	9,241	60,812
Total	6,763,938	6,742,931	-	125,000	-	-	6,763,938	6,867,931

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

c. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt.

d. Foreign exchange risk

The board and senior management monitors foreign currency and has undertaken to use hedging contracts where appropriate to the value of up to 50% of it's US dollar requirements. The board reviews this regularly after consultation with market advisors and it's bank.

Note 32 Financial Risk Management (continued)

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

		Consolidated Group	
		Profit	Equity
Year ended 30 June 2010		$	$
+/- 2% in interest rates	Increase	(399,373)	(399,373)
	Decrease	399,373	399,373
+/- 5% in $A/$US	Increase	230,233	230,233
	Decrease	(230,233)	(230,233)

		Consolidated Group	
		Profit	Equity
Year ended 30 June 2009		$	$
+/- 2% in interest rates	Increase	(312,835)	(312,835)
	Decrease	312,835	312,835
+/- 5% in $A/$US	Increase	271,547	271,547
	Decrease	(300,130)	(300,130)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

	2010		2009	
	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
Consolidated Group	$	$	$	$
Financial assets				
Cash and cash equivalents	316,776	316,776	588,917	588,917
Trade and other receivables	5,937,297	5,937,297	5,489,943	5,489,943
Loans and advances - related parties	500,624	500,624	728,259	728,259
Derivatives	9,241	9,241	-	-
Investments - available for sale	2,712,355	2,712,355	2,407,837	2,407,837
Total financial assets	9,476,293	9,476,293	9,214,956	9,214,956
Financial liabilities				
Trade and other payables	6,652,925	6,652,925	6,651,727	6,651,727
Hire purchase liability	1,379,331	1,379,331	1,507,180	1,507,180
Lease liability	33,536	33,536	116,090	116,090
Derivatives	-	-	60,812	60,812
Other related parties	1,523,040	1,523,040	2,147,320	2,147,320
Bank debt	18,555,765	18,555,765	19,612,154	19,612,154
Total financial liabilities	28,144,597	28,144,597	30,095,283	30,095,283

Note 33 Reserves

a. *Asset Revaluation Reserve*
The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

b. *Foreign Currency Translation Reserve*
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled entity.

c. *Option Reserve*
The option reserve records items recognised as expenses on valuation of employee share options.

d. *Cash Flow Hedge Reserve*
The hedge reserve records revaluations of items designated as hedges.

Note 34 Fundamental Error

The prior year comparatives have been restated due to a fundamental error in the valuation of hire fleet included as property, plant and equipment as at 30 June 2009. This was a direct result of open hire contracts in our Scaffold Division that remained unclosed in our reporting system at year end 30 June 2009.

The net effect of this adjustment on each of the line items affected is as follows:

	Prior year	Adjustment	Restated
	$	$	$
Property, plant and equipment	16,468,398	(747,559)	15,720,839
Retained earnings	(2,058,866)	(747,559)	(2,806,425)
Distribution expenses	15,686,904	747,559	16,434,463
Loss for the year	(6,389,348)	(747,559)	(7,136,907)

There was no impact on balances for the financial year ended 30 June 2008 and therefore a third balance sheet is not considered necessary.

Note 35 Parent Entity Financial Information

(a) **Summary financial information**

The individual financial statements for the parent entity show the following aggregate amounts:

	2010	2009
	$	$
Balance sheet		
Current assets	9,693,276	3,851,200
Total assets	11,735,257	11,065,400
Current liabilities	4,199,431	1,130,344
Total liabilities	4,434,231	2,130,344
Equity		
Issued capital	15,657,109	12,141,959
Option reserve	142,226	112,777
Cash flow hedge reserve	9,241	(60,812)
Retained earnings	(8,507,550)	(3,258,868)
	7,301,026	8,935,056
Loss for the year	(3,205,442)	(3,419,210)
Total comprehensive income	(3,035,887)	(3,480,022)

(b) **Guarantees entered into by the parent entity**

The parent entity has not entered into any guarantees on behalf of the Group or any individual entity within the Group as at 30 June 2010 or 30 June 2009.

(c) **Contingent liabilities of the parent entity**

The parent entity did not have any contingent liabilities as at 30 June 2010 or 30 June 2009.

(d) **Contractual commitments**

The parent entity did not have any contractual commitments as at 30 June 2010 or 30 June 2009.

Note 36 Company Details

The registered office of the company is:
Oldfields Holdings Limited
8 Farrow Road, Campbelltown, NSW, 2560

The principal place of business is:
Oldfields Holdings Limited
8 Farrow Road, Campbelltown, NSW, 2560

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 7 to 41, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards; and
   (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company and consolidated group;

2. the Chief Executive Officer and Chief Finance Officer have each declared that:
   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001;*
   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view;

3. 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.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

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

Director

Raymond Titman

Dated this 30th day of September 2010

HALLCHADWICK

Chartered Accountants and Business Advisers

OLDFIELDS HOLDINGS LIMITED
ABN 92 000 307 988
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLDFIELDS HOLDINGS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Oldfields Holdings Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

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OLDFIELDS HOLDINGS LIMITED
ABN 92 000 307 988
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OLDFIELDS HOLDINGS LIMITED

Auditor's Opinion

In our opinion:

a) the financial report of Oldfields Holdings Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date;

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) the financial report also complies with International Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion we draw attention to Note 1 to the financial report which indicates that the group incurred a net loss of $8,650,248 during the year ended 30 June 2010. This condition, along with other matters set forth in Note 1, indicates the existence of a material uncertainty which may cast doubt about the group's ability to continue as a going concern and to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in page 4 to 5 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Oldfields Holdings Limited for the year ended 30 June 2010 complies with section 300A of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, Sydney, NSW 2000

GRAHAM WEBB
Partner
Date: 30 September 2010

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	Number Ordinary	Number Redeemable
1 – 1,000	75	Nil
1,001 – 5,000	92	Nil
5,001 – 10,000	30	Nil
10,001 – 100,000	95	Nil
100,001 – and over	26	Nil
	318	-

b. The number of shareholdings held in less than marketable parcels is nil.

c. The names of the substantial shareholders listed in the holding company's register as at 31 August 2010 are:

Shareholder	Number Ordinary	Number Preference
RANDELL MANAGEMENT SERVICES PTY LTD <TIMMS SUPER FUND ACCOUNT>	9,846,132	Nil
AYMTOLD PROPERTIES PTY LIMITED	3,613,144	Nil
STARBALL PTY LTD	2,456,707	Nil
LYMGRANGE PTY LIMITED	1,925,000	Nil

d. **Voting Rights**
The voting rights attached to each class of equity security are as follows:
Ordinary shares

– Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders — Ordinary Shares**

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	RANDELL MANAGEMENT SERVICES PTY LTD <TIMMS SUPER FUND ACCOUNT	9,846,132	29.780
2.	AYMTOLD PROPERTIES PTY LIMITED	3,613,144	10.928
3.	STARBALL PTY LTD	2,456,707	7.430
4.	LYMGRANGE PTY LIMITED	1,925,000	5.822
5.	FARROW RD PTY LTD	1,800,000	5.444
6.	UFBA PTY LTD	1,281,626	3.876
7.	MR DAVID WALTER TOLAND	1,200,000	3.629
8.	MR RODNEY BOYCE HASS	996,439	3.014
9.	MR MAURICE WAYNE ABBOTT <SUPA DUPER SUPER FUND>	891,005	2.695
10.	WINGROAD PTY LIMITED	689,657	2.086
11.	LUTON PTY LTD	679,887	2.056
12.	MR PAUL JOHN SIMPSON	500,000	1.512
13.	DR GORDON BRADLEY ELKINGTON	481,541	1.456
14.	MR BRIAN GARFIELD BENGER	386,427	1.169
15.	MS CHIARA MANKARIOS	353,508	1.069
16.	MR CHRISTOPHER CHARLES HEXT	350,614	1.060
17.	THE GENUINE SNAKE OIL COMPANY PTY LTD <MORSON GROUP SUPER FUND	350,000	1.059
18.	KON HOLDINGS PTY LIMITED	329,218	0.996
19.	EDDAGATE PTY LIMITED	325,000	0.983
20.	NEJEKA PTY LIMITED <MANSFIELD SUPERFUND A/C>	281,981	0.853
		28,737,886	86.92

2. The name of the company secretary is Robert Allan Coleman.

3. The address of the principal registered office in Australia is 8 Farrow Road, Campbelltown NSW 2560. Telephone (02) 4627 077

4. Registers of securities are held at the following addresses
New South Wales Registries Limited. Level 7, 207 Kent Street Sydney, NSW 2000

5. **Stock Exchange Listing**
   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.

6. **Unquoted Securities**

   Options over Unissued Shares

   A total of 1,625,000 options are on issue. 1,625,000 options are on issue to 18 directors and emplyees under the Oldfields Holdings Limited employee option plan.

OLDFIELDS HOLDINGS LIMITED AND CONTROLLED ENTITIES
ABN 02 000 307 988

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Oldfields Holdings Limited is committed to high standards of corporate governance and supports the principles of good corporate governance and best practice recommendations as published by the ASX Corporate Governance Council 2ND Edition in August 2007.

Given the size and specific circumstances of Oldfields Holdings Limited the Board recognises that some best practice recommendations are more relevant to larger companies.

Unless disclosed below, all relevant best practice recommendations of the ASX Corporate Governance Council have been applied for the financial year ended 30 June 2010.

The company's website contains a clearly marked corporate governance section.

1. THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT & OVERSIGHT

Recommendation 1.1 – Establish functions reserved for the Board and for Senior Management.

The Board of Directors is accountable to the shareholders for the performance of the company. The Board sets the company's strategic direction and delegates responsibility for the management of the company to the Managing Director.

A copy of the Board Charter, which promotes a culture within the company of accountability, integrity and transparency, is available from the company's website.

Each Board member must at all times act honestly, fairly and diligently in all respects in accordance with the Corporations Law as it applies to our company.

Key matters reserved to the Board include the following:

- Oversight of the company , including its control, accountability and compliance systems;
- Appointment, monitoring, managing the performance of and if necessary removal of the Chief Executive Officer, Chief Financial Officer and Company Secretary;
- Input, assessment, appraisal and final approval of management's development of corporate strategy and performance objectives;
- Monitoring risk management;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approval and monitoring financial and other reporting;
- Ensuring the market and shareholders are fully informed of material developments; and
- Recognising the legitimate interests of stakeholders.

The expectations of Directors are outlined in a formal Letter of Appointment which details the term of appointment, fees, power and duties and other information pertinent to their roles.

Responsibility for the day-to-day management of the Company and its operations is delegated to senior executive management.

The Board holds a minimum of six formal meetings a year, but usually ten. Additional meetings are held as required.

Details of current members of the Board are disclosed in the Directors' Report.

Recommendation 1.2 – Disclose the process for evaluation of senior executives.

Senior executives are evaluated each year on their performance against stated objectives, goals and key performance indicators (KPI).

Overall performance is reviewed by the particular senior executive's direct report and ultimately by the Chief Executive Officer and/or Board of Directors.

Recommendation 1.3 – Provide information indicated in the Guide.

(1) There are no departures from Recommendations 1.1, 1.2 or 1.3;
(2) Senior executive performance evaluations have taken place during the reporting period as detailed in Recommendation 1.2.

2. STRUCTURE OF THE BOARD TO ADD VALUE

The Board currently has four directors, comprising two non-executive directors, including the chairperson and two executive directors.

The Board has adopted the following principles:

- The same individual should not exercise the roles of chairperson and chief executive officer;
- The Board should not comprise a majority of executive directors;
- The Board should comprise persons with a broad range of skills and experience appropriate to the needs of the Oldfields Group.

Recommendation 2.1 – Majority of the Board should be independent directors.

Under recommendation 2.1 of the ASX Corporate Governance Council Best Practice Recommendations the majority of the Board should be independent directors. Independent directors are those who are independent of management and free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In assessing the independence of directors, an independent director is a non-executive director and:

- Is not a substantial shareholder, as defined in section 9 of the Corporations Act, of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- Has not within the last three years been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- Has not within the last three years been a principal of a material professional advisor or a material consultant to the company or another group member, or an employee materially associated with the service provided;
- Is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

In applying the best practice recommendations for independence there are no independent directors at the date of this report.

Recommendation 2.1 – Majority of the Board should be independent directors. (continued

The Board has recognised that the following non-executive directors do not comply with all of the independence criteria listed above.

- ➢ William Lewis Timms appointed 2009
  - would be considered a substantial shareholder;

- ➢ Christopher Charles Hext appointed 2001
  - would be considered a substantial shareholder;

However, the Board considers that the current composition of the Board is structured in both size and commitment to adequately discharge its responsibilities and duties in addition;

1. Has a proper understanding of, and competence to deal with, the current and emerging issues of the business.
2. Can effectively review and challenge the performance of management and exercise independent judgment.

The Board has considered the following;

1. The size of the company and spread of shares amongst the substantial shareholders.
2. The appointment of additional independent directors would cause undue financial pressure.
3. The experience and personal qualities of the non-executive directors.
4. The skills of the non-executive directors are complimentary to other Board members
5. The non-executive directors are independent of management and other relationships that could materially interfere with the exercise of their unfettered and independent judgment.
6. The Board continues to review its governance structures, including the level of independent directors, as the company develops and changes to ensure that it continues to meet effective governance given the size and specific circumstances of the company.

Recommendation 2.2 – The Chair should be an Independent Director.

The current Chair, C. C. Hext, is considered by the Board not to be an independent non-executive director. The Board has considered the appointment of a lead independent director, but has decided to maintain the existing structure and size of the Board as detailed in Recommendation 2.1

Recommendation 2.3 – The Chair and the CEO should not be the same person.

The duties and responsibilities of the Chair and Chief Executive Officer are separate and each position is held by a different individual.

Recommendation 2.4 – The Board should establish a Nomination Committee.

Given the size and requirements of the company the Board has decided that a nomination committee is not required at this point in time. At present all members of the Board consider the composition of the Board and appointment of new directors.

Recommendation 2.5 – Disclose the process for evaluation of the performance of the Board, its committees and individual directors.

The Board conducts an annual evaluation of its own performance and the performance of its committees and individual directors. This evaluation is reviewed against a number of key measures, including strategy, corporate planning, corporate governance, effectiveness of meetings and information systems.

Information is supplied to the Board in a timely and quality format that enables the Board to discharge its duties effectively. Directors are entitled to seek additional information where considered necessary to make informed decisions.

The Company Secretary supports the Board in coordinating the timely completion and dispatch of the board agenda and board papers. The appointment and removal of the Company Secretary is governed by the Board as a whole.

Recommendation 2.6 – Provide information recommended in the Guide on Principal 2.

- The skills, experience and relevant position of each director are detailed in the annual Directors' Report;
- The names of the independent and non-executive directors and the materiality threshold are discussed in Recommendation 2.1;
- Any relationships between a Director and the Company which may affect independence are stated in Recommendation 2.1;
- The company acknowledges directors require high quality information and advice on which to base their decisions and considerations. All directors have the right to seek advice and clarification from the company auditors, financial and legal advisors on any matter relating to the company or Board performance;
- Directors additionally have the right to seek independent professional advice to help them carry out their responsibilities. Expenses will need to be approved in advance by the chairperson. If the chairperson is unable or unwilling to give approval, then board approval will be sufficient. Any costs incurred will be borne by the company;
- The period of office held by each director in office at the date of the Annual Report is disclosed in the Directors' Report;
- A performance review as disclosed in Recommendation 2.5 was performed during the reporting period;
- Any departures from recommendations relating to Principal 2 have been disclosed in the discussion of the relevant recommendation.

3. PROMOTION OF ETHICAL AND RESPONSIBLE DECISION – MAKING

Recommendation 3.1 – Establish and Disclose a Code of Conduct

The Board has developed a code of conduct for directors and company officers and employees. The key elements of the code are:

- Conflicts of interest;
- Corporate opportunities;
- Confidentiality;
- Fair dealing;
- Protection of assets;
- Compliance with laws and regulations; and
- Promotion of ethical and lawful behaviour.

Recommendation 3.2 – Establish a Share Trading Policy

The Board has developed and adopted a policy concerning trading in company securities by directors, officers and employees. The company and the Board encourage directors, officers and employees to own shares in the company thereby fostering a further link between their interests and the interests of all shareholders.

The key elements of the policy are:

- Insider trading;
- Continuous disclosure;
- When a designated officer must not deal in securities;
- When a designated officer may deal;
- Exceptional circumstances – permission to deal;
- When employees (other than designated officers) may deal;
- When employees (other than designated officers) must not deal;
- Notification of directors' dealing in securities;
- Breach of policy; and
- Speculative dealing.

Recommendation 3.3 - Provide information recommended in the Guide on Principal 3.

A copy of the Share Trading Policy can be obtained from the Corporate Governance section of the Oldfields website.

A copy of the Oldfields Code of Conduct can be obtained from the Corporate Governance section of the Oldfields website.

4. THE BOARD SAFEGUARDS THE INTEGRITY OF FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer state in writing to the Board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

Recommendation 4.1 – the Board should establish an Audit Committee.

The Board has an Audit Committee which:

- Has two members who are non-executive directors;
- Has a written charter which can be obtained from the Corporate Governance section of the Oldfields website;
- Includes members who are all financially literate;
- Details of the members are disclosed in the Director's Report;
- The Board recognises that an independent audit committee is an important feature of good corporate governance.

Recommendation 4.2 – Structure of the Audit Committee.

The Audit Committee:-

(1) Consists only of non-executive directors;
(2) Is chaired by an independent chair, who is not chair of the Board;

Recommendation 4.2 – Structure of the Audit Committee. (continued)

(3) Has two members. Recommendation 4.2 states that the Audit Committee should have at least three members. Given the size and structure of the Board, as discussed in Recommendation 2.1, the Board feels that two members, both of who are qualified accountants, is sufficient at this time.

Recommendation 4.3 – Audit Committee should have a formal charter.

The Audit Committee has a formal charter, the key elements of the Charter are:

- Role of the Committee;
- Membership;
- Meetings;
- Responsibilities;
- Authority;
- Independence and
- Non-audit work.

The Board and Audit Committee closely monitor the independence of the external auditor. The Audit Committee meets a minimum of twice a year in private, with management without the external auditor and with the external auditor without management.

Recommendation 4.4 - Provide information recommended in the Guide on Principal 4.

(1) The members of the Audit Committee are: C C Hext (Chairman) and W L Timms.
(2) The details of the qualifications of the Audit Committee members are disclosed in the Directors' Report.
(3) The details of the number of Audit Committee meetings held is contained in the Directors' Report.
(4) Departures from recommendations included in Principle 4 have been disclosed in the discussion of the relevant recommendations.

5. THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – Establish policy on ASX listing Rule disclosure requirements.

The company has established procedures to ensure compliance with ASX Listing Rules which requires that when an entity becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.

A Continuous Disclosure Policy and Procedure has been prepared and is available from the Corporate Governance section of the Company's website.

6. THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 – Design a communication policy for promoting effective communication.

The company has an effective shareholder communication procedure. The company promotes effective communication with shareholders and encourages effective participation at the company's general meetings.

Shareholders and other parties will be able to access the following information from the company's website:

- Copies of all announcements given to the ASX;
- Press releases and copies of letters to shareholders;
- Copies of annual and half year financial reports;
- Details of notices of shareholders meetings including information on general meetings.

The requirements of continuous disclosure ensure that the company discloses relevant information to the shareholders and the market in a timely and full manner.

7. THE BOARD RECOGNISES AND MANAGES RISK

Recommendation 7.1 – Establish policies for oversight and management of material business risks.

The Board recognises that there are a number of complex operational, commercial, financial and legal risks and has in place procedures to safeguard the company's assets and interests.

An Occupational Health and Safety Committee has been established to monitor and recommend changes to safe working practices and a safe working environment. The chairperson is not a director, and the committee comprises the managing director, senior executive officers and employee representatives.

The Board has developed a risk management policy the purpose of which is:

- Identify, access, monitor and manage risk;
- Inform investors of material changes to the company's risk profile;
- Enhance the environment for capitalising on value creation opportunities;
- Ensure compliance with the Corporations Act;
- Consider the reasonable expectations of its stakeholders;
- The measures and procedures in place to comply with these regulations; and
- How compliance with those measures and procedures will be monitored.

Recommendation 7.2 – Management is required to design and implement risk management and report to the Board.

The Board has established a Risk Management Committee in conjunction with the Audit Committee which will meet regularly to identify all major risks, ensure appropriate risk management plans are in place and to monitor the effectiveness of the implementation of the risk management plans.

The Chief Executive Officer and the Chief Financial Officer are required to state in writing to the board that the company's risk management and internal compliance and control system is operating effectively and efficiently in all material aspects.

Recommendation 7.3 – Management to ensure integrity of financial reports to the Board.

Written declarations are provided each year by the CEO, Chief Financial Officer and Company Secretary to the Board, stating that the company's financial reports are based on a sound system of risk oversight and management and internal control.

Recommendation 7.4 - Provide information recommended in the Guide on Principal 7.

(1) The Board has received written declarations under Recommendation 7.2;
(2) The Board has received written declarations under Recommendation 7.3;
(3) The risk Management Policy is available on the Company website.

8. THE BOARD REMUNERATES FAIRLY AND RESPONSIBLY

Recommendation 8.1 – Board should establish a Remuneration Committee.

The Board has a Remuneration Committee which has two members and a documented charter. The members and qualification of the Remuneration Committee are disclosed in the Directors' Report.

Due to the size and nature of the Board as discussed in recommendation 2.1 the following items of recommendation 8.1 are not followed:-

(1) consists of a majority of independent directors;
(2) is chaired by an independent director;
(3) has at least three members.

The Remuneration Committee is responsible for developing and recommending to the Board:

- Remuneration policies for Non-Executive Directors;
- Remuneration policies for the Chief Executive Officer and Chief Financial Officer;
- Remuneration policies for executive management;
- All aspects of any executive share option or acquisition scheme;
- Superannuation policies;
- Policies which motivate senior executives to pursue the long term growth and success of the company;
- Policies which show a clear relationship between senior executives' performance and remuneration.

Recommendation 8.2 – Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

The remuneration of Non-Executive Directors is by way of directors fees in the form of cash, non-cash benefits and superannuation benefits.

The total annual remuneration paid to Non-Executive Directors may not exceed the limit set by shareholders at the annual general meeting.

Non-Executive Directors do not receive options unless approved by shareholders.

Recommendation 8.3 - Provide information recommended in the Guide on Principal 8.

(1) The members of the Remuneration Committee and their attendance at meetings are disclosed in the Directors' Report;
(2) Non-Executive Directors are not provided with retirement benefits other than superannuation;
(3) A copy of the Remuneration Committee Charter can be obtained from the company's web site;
(4) Departures from recommendations included in Principle 8 have been disclosed in the discussion of the relevant recommendations.

Oldfields Holdings Limited

Risk Management Statement

Version No.	1.2	Policy Approved by	OLH Board
Last Reviewed	2010 - September	Policy Owned by	Oldfields Holdings Limited
Next Review	2011 - June	Reference	

Board *Corporate* *Management*	Risk Management Policy N/A Enterprise Risk Management
Legislation *External Standard*	Principle 7 – ASK Principles of Good Corporate Governance AS/NZS 4360:2004 Risk Management Standard

1. Introduction

This statement provides an overview of the Company's risk management policies and internal compliance and control systems.

2. Responsibility

The Oldfields Holdings Board is broadly responsible to overview on a regular basis the Company's procedures and risk management policies. The responsibility of the board is codified under the board charter. The Company also has an Audit committee, with a copy of the Audit committee charter available on the web-site.

3. Risk Management Monitoring

The board has implemented a combination of internal policies and procedures and use of external audits to monitor risk management and its effectiveness.

3.1 Standard Operating Procedures (SOP's)

The board has implemented risk management policies covering areas of business risk such as:

- Occupational Health and Safety;
- The Environment;
- Finance and treasury;
- Human Resources;
- Asset Protection (insurance)
- Codes of Conduct;
- Continuous disclosure by Directors.

The Policies referred to are regularly reviewed and an internal mechanism exists whereby the board and committee members have access to these reports on an internal intranet site . The board manages these risks appropriately with reference to identification, implementation and review of these risks and procedures.

3.2 External Audits

The external audit of the company is conducted at least once every year. There is also a formal review at least once every year. This audit is conducted by an external auditor.

The Company has a Occupational Health and Safety committee which are trained by external OH&S providers. The committee is certified.

The Company engages with qualified external advisors annually in relation to Asset Protection. Where possible the board adopts the most practical and affordable insurance policies suitable to protect major assets of the company.

In general an external qualified auditor and or valuers are engaged by the Board in determining large asset values on acquisition of assets. An annual external Valuation is obtained to determine and verify carrying values of Investment Property by a external independent registered Property valuer at least once a year.

3.3 Risk Management Statements

The integrity of the Company's financial reports relies on sound business and risk control systems.

Annually the company requires each of the financial controllers and the group financial controller to sign a Risk Management Statement. To ensure adequate accountability, the CEO and the Chief Financial Controller are also required to sign a Risk Management statement that is provided to the audit committee in writing.

3.4 Internal Audit

Given the company's size an internal Auditor is not practical, however each division is normally allocated a Financial Controller and in the case of the Scaffold Division a Financial Administrator is appointed to maintain regular internal checks and balances on the integrity of the data in the Hire ERP system.

3.5 External Covenants

The Company has voluntarily associated itself with the following self regulated authorities

- EWOW (Equal Work Opportunities for Women)
  It reports annually on targets and policy to an external agency in regards to Equal Opportunity guidelines and Policy within the work force. The board receive and review this annually.
- National Packaging Covenant
  The company sets targets to reduce packaging waste and environmental impact on packaging wastes are set and guidelines adopted and where possible administered by management. The board reviews these targets annually.

4. Formal Risk Management Practices

OLH operates a formal process for risk management which includes:

- Risk Identificaton
- Risk Analysis
- Risk Evaluation
- Risk Mitigation
- Risk Monitoring and Reporting
- Risk Communication

The risk management process meets appropriate professional standards and is reviewd annually by the OLH Board. The process meets, but is not limited to the requirements of Principle 7 of the ASX Principles for Good Corporate Governance.

5. Risk Reporting and Communication

Material Risks	General Reporting	Accountabilities
	OLH Board	
Direct risk response or accept material risk	Review and approve risk mitigation strategies or accept risk	Oversight of framework and sufficiency of reporting
	Chief Executive Officer	
Implement risk response or escalate to OLH Board	Review and approve risk reporting and mitigation strategies	Oversight of corporate risks and adequacy of framework
	Financial Controller	
Recommend material risk escalation to MD and/or OLH Board	Consolidate risk assessments and prepare summary reporting	Implement and monitor ERM framework and ERM system
	Finance Department	
Identify and report material risks as they arise	Prepare risk assessments in accordance with ERM framework	Operationally manage risks and escalate issues

Communication

Effective risk management is reliant on the timely and open communication of actual or potential risk events across the organisation. Free and frank communication is at the heart of OLH's risk management approach, and where the processes and accountabilities described in these standards may not support a suitably rapid response to any risk, then communication should be undertaken using whatever means will achieve the best outcome for OLH.