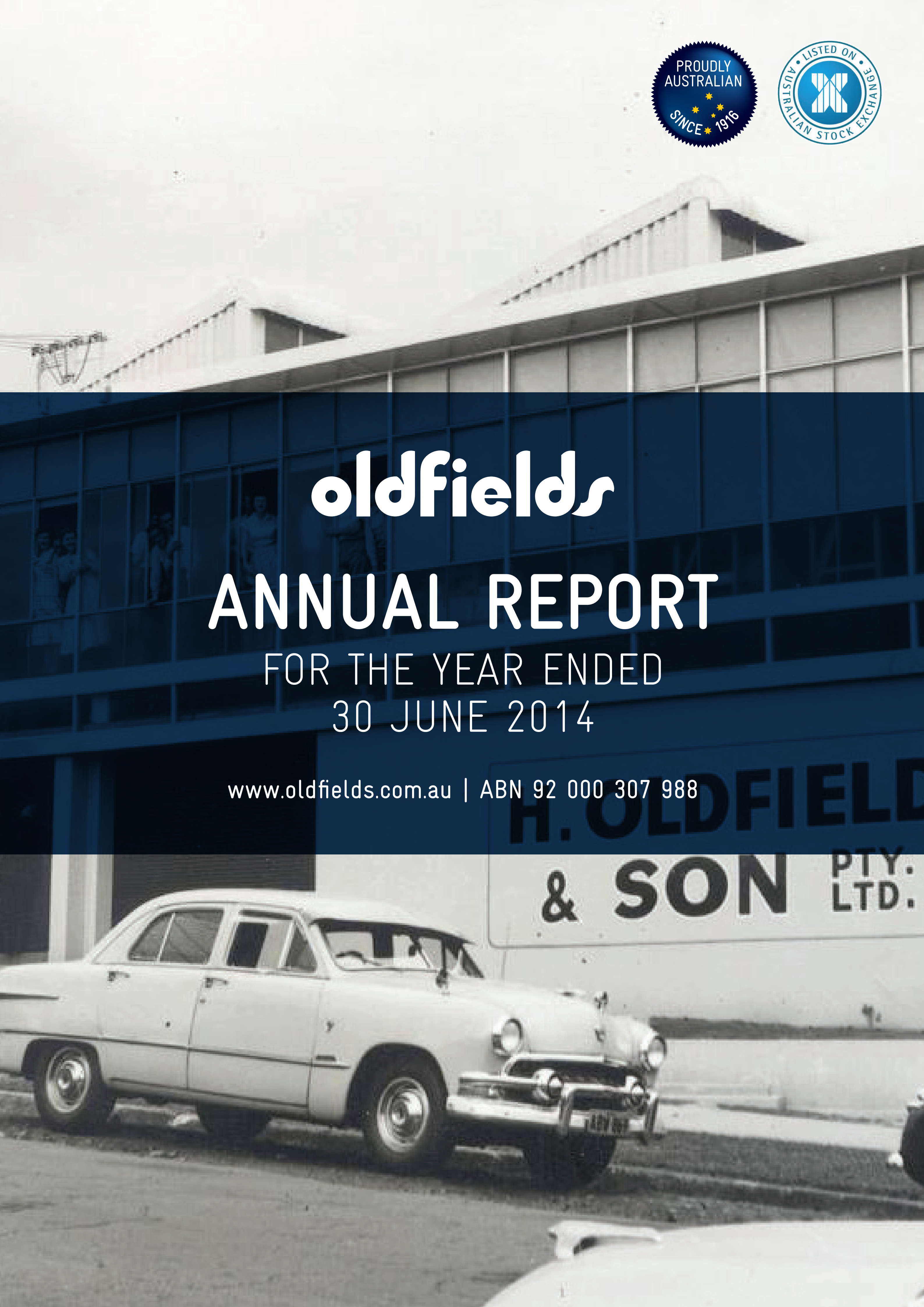
PROUDLY AUSTRALIAN SINCE 1916

LISTED ON AUSTRALIAN STOCK EXCHANGE



oldfields

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

www.oldfields.com.au | ABN 92 000 307 988

OLDFIELDS HOLDINGS LIMITED
AND CONTROLLED ENTITIES

ABN: 92 000 307 988

Financial Report For The Year Ended

30 June 2014

OLDFIELDS HOLDINGS LIMITED
AND CONTROLLED ENTITIES

ABN: 92 000 307 988

Financial Report For The Year Ended 30 June 2014

CONTENTS

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

APPENDIX 4E - FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2014

Results for announcement to the market

Comparative period: Year ending 30 June 2013

	30-Jun-14 $'000	30-Jun-13 $'000		% change
Revenue from continuing operations	**27,231**	26,644	Up	2.20%
Earnings before interest, taxes, depreciation and amortisation	**777**	929	Down	-16.29%
Profit/(loss) after tax	**(2,576)**	4,640	Down	N/A
Profit/(loss) after tax attributable to members of the parent entity	**(2,715)**	4,487	Down	N/A

Dividends
No dividends have been paid or proposed during the year.

Statement of profit and loss and other comprehensive income with notes to the statement
Refer to page 11 of the 30 June 2014 financial report and accompanying notes for Oldfields Holdings Limited.

Statement of financial position with notes to the statement
Refer to page 12 of the 30 June 2014 financial report and accompanying notes for Oldfields Holdings Limited.

Statement of changes in equity with notes to the statement
Refer to page 13 of the 30 June 2014 financial report and accompanying notes for Oldfields Holdings Limited.

Statement of cash flows with notes to the statement
Refer to page 14 of the 30 June 2014 financial report and accompanying notes for Oldfields Holdings Limited.

Commentary on the results for the period
The commentary on the results for the period are contained in the “Operating Results and Review of Operations” section included within the directors’ report.

Net tangible assets per share

	30-Jun-14 $'000	30-Jun-13 $'000		% change
Net Assets	6,042	7,634	Down	-20.85%
Net Assets (cents per share)	**7.35**	**9.29**		
Net Tangible Assets	4,997	6,458	Down	-22.62%
Net Tangible Assets (cents per share)	**6.08**	**7.86**		

Investment in associates and joint ventures

Material investments in associates and joint ventures are as follows:	Contribution to Result		Percentage Held	
	30-Jun-14 $'000	30-Jun-13 $'000	**30-Jun-14**	30-Jun-13
PT Ace Oldfields	**151.6**	35.7	**0%**	34%
Enduring Enterprises	**(37.6)**	(48.9)	**0%**	34%
Honeytree & Partners	**(5.1)**	15.2	**0%**	34%

The Group disposed of it's share in the above investments on 10 March 2014. Refer to note 14 for details.

Audit status
The 30 June 2014 financial report and accompanying notes for Oldfields Holdings Limited and Controlled Entities have been audited. Refer to page 46 of the 30 June 2014 financial report and accompanying notes for Oldfields Holdings Limited.

....

Gregory John Park (Company Secretary)

Dated: 29-August-2014

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

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of Oldfields Holdings Limited and its controlled entities for the financial year ended 30 June 2014.

Directors

The following persons were directors of Oldfields Holdings Limited during or since the end of the financial year up to the date of this report:

Tony Joseph Grima (appointed 14/10/2013)
William Lewis Timms
Stephen Charles Hooper
Christopher Michael Giles (resigned 30/04/2014)

Principal Activities

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

- manufacturing, importing and marketing of paint brushes, paint rollers, painters tools and accessories;
- manufacturing and marketing garden sheds, outdoor storage systems, avaries and pet homes;
- manufacturing and marketing of scaffolding and related equipment; and
- hire of scaffolding and related products.

A large majority of our operations are conducted in Australia.

Significant Changes to Activities

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

Operating Results

The consolidated group revenue from continuing operations for the financial year ended 30 June 2014 was $27,230,905 (2013: $26,644,174) which was up 2.2% from prior year. The revenue increase was driven by both the scaffolding and paint equipment divisions and was primarily due to an increase in the building and construction industry which is expected to continue in 2015. The consolidated group net profit after tax was a loss of $2,575,835 (2013: profit of $4,639,752). The 2013 profit was attributable to other income of $5.5 million which related to the buy-back of senior debt. Gross profit (including depreciation and amortisation) decreased from 46.5% in 2013 to 44.8% in 2014 due to intense competition across all divisions, as well as cost increases from suppliers in Asia that were driven by labour increases in that region. The consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) excluding the one-off debt buy-back and gains/losses from the disposal of associated companies, decreased from $929,720 in 2013 to $777,396 in 2014.

While not to expectation, the result reflects investments made in improving in-store presence in key national hardware retailers, launching new products to the paint specialist market and increasing awareness to improve revenue generation and growth in the scaffold division. These initiatives will continue in 2015 and are expected to support future growth of the business.

Net cash provided by operating activities was $655,927 in 2014, compared to $1,064,247 in 2013. Improving operating cashflow continues to be a major focus for the group with increased emphasis on improving sales margins and reducing inventory levels in 2015.

Statement of Profit and Loss

	2014 $000's	2013 $000's	Change %	2012 $000's
Sales revenue	27,231	26,644	2.2%	28,833
Gross profit (before depreciation and amortisation)	12,812	12,969	-1.2%	13,938
Operating expenses (before depreciation and amortisation)	(12,174)	(12,219)	-0.4%	(13,308)
Other income	30	177	-82.9%	213
Share of net profits of associated companies	109	2	5196.7%	30
Earnings before interest, tax, depreciation and amortisation (EBITDA) *	**777**	**929**	**-16.3%**	**873**
Depreciation and amortisation	(1,168)	(1,034)	13.0%	(1,089)
Earnings before interest and tax (EBIT) *	**(391)**	**(106)**	**N/A**	**(216)**
Interest expense	(469)	(513)	-8.6%	(1,328)
Income tax expense	(147)	(167)	-11.8%	(139)
Revaluation of deferred senior loan note	(205)	(98)	109.7%	-
Loss after tax from continuing operations	**(1,212)**	**(884)**	**37.2%**	**(1,682)**
Debt buy-back	-	5,500	N/A	-
Loss for the year from disposal of associated companies ***	(1,363)	23	N/A	-
Loss for the year from discontinued operations after tax	-	-	N/A	(61)
Net profit/(loss) for the year	**(2,576)**	**4,640**	**N/A**	**(1,744)**
Net cash provided by operating activities	**656**	**1,064**	**-38.4%**	**114**
Loss per share (cents) **	(1.65)	(1.46)	13.0%	(3.24)
Net assets per share (cents)	7.35	9.29	-20.9%	1.34

*** Calculations above are before the loss on disposal of associated companies, the one-off $5.5million debt buy back in 2013 and the revaluation of the derivative element of the deferred senior loan note**
**** Calculations of loss per share are based on the loss after tax from continuing operations attributable to the parent entity and a weighted average number of shares (refer note 9). The calculation for 2014 excludes the on-off $1.3million loss on disposal from associated companies and the calculation for 2013 excludes the one-off $5.5million debt buy-back.**
***** The loss for the year from disposal of associated companies includes recycled amounts from the foreign currency translation reserve of $1,445,360.**

Review of Operations

(i) Consumer Products - Paint Equipment Division

Revenue for the paint equipment division increased compared with the prior year. While benefiting from the changing landscape in the hardware retail market, revenue in the more traditional paint specialist market has declined. As the overall market shifts and competition intensifies, there is a renewed focus on differentiated products to ensure key customers can compete with their competitors while still maintaining a point of difference. With such changes in the overall market and the resulting variation in customer mix, the paint equipment division has experienced added pressure to maintain gross margins.

As part of an ongoing review of operations, the Group disposed of it's remaining interest in the associated companies, PT Ace Oldfields, Enduring Enterprises and Honeytree and Partners, being the manufacturing arm of the paint equipment division. The Group is currently working towards formalising a strategic supplier agreement which will continue to provide market leadership into the future.

The paint equipment division has spent the last twelve months consolidating, upgrading and rationalising it's range of products with the process of re-branding and repackaging near completion. Improvements have also been made to ensure that the supply chain is efficient, customer expectations are met, lead times are improved and inventory controls are enhanced in order to satisfy growing demand. The division is now focused on innovation, becoming the brand of choice in the market, best in class customer service, and improving internal business processes. In addition, by capitalising on the experience of recent new staff appointments, this division is well positioned to grow in the coming year.

(ii) Consumer Products - Garden Sheds Division

The garden shed division declined in 2014 which was predominately in the domestic market. Revenue growth in international markets remained strong with continued focus on new opportunities to expand our product offering.

Efforts to grow domestically and generate additional revenue and profitability will continue in 2015. Potential growth opportunities are already being investigated which capitalise on relationships with customers of other divisions in order to further develop synergies across the group.

(iii) Scaffolding Division

A general increase in the building and construction industry supported the growth in the scaffold division in 2014 as revenues increased compared to the previous year. Despite a slight decrease in gross margins caused by intense competition, the scaffold division significantly improved it's EBITDA in 2014 through better labour utilisation on scaffolding services and other overhead reductions.

The scaffold division is currently in the process of consolidating and relocating a number of its branches in order to further reduce costs, improve efficiency levels, and be better positioned in areas of building and construction growth. In addition, newer buildings have been selected in highly populated areas to renew the division's image, encourage growth, and enhance brand recognition for the Group.

The manufacturing operation in China continued to operate strongly during the year and will continue to support the expected growth of this division in 2015. International sales increased by 34% compared with the prior year, as customers in Japan and New Zealand expand. This is expected to continue in 2015 and new growth opportunities are also being investigated.

Financial Position

The net assets of the Group have decreased by $1,592,060 from $7,634,415 at 30 June 2013 to $6,042,355 at 30 June 2014. This decrease has largely resulted from the following factors:

- the disposal of the Group's interest in associated companies valued at $875,027 as at 30 June 2013; and
- a net loss from operations.

A key area of focus for 2015 will be to reduce inventory levels back to sustainable levels as well as a concentration on profitable growth opportunities to improve the net asset position of the Group.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

On 10 March 2014, the Group disposed it's interest in associated companies, being PT Ace Oldfields, Enduring Enterprises and Honeytree and Partners. Consideration received in relation to this sale was $827,932 and will be received in the form of an offset of trade payables owing to the associated companies over a period of approximately 12 months. The gain on disposal of these shares was $81,979. In accordance with Australian Accounting Standards, the foreign currency translation reserve (FCTR) was recycled through profit or loss on disposal of these investments. The amount recycled was a loss of $1,445,360 and hence the net disposal amounted to a loss of $1,363,381. Subsequent to year end, the Group entered into an arrangement with it's bank for the repayment of a portion of the proceeds on disposal of associated companies to commence from 1 January 2015. Repayments will be made in eight monthly instalments of $75,000.

Events after the Reporting Period

There have been no significant events after the end of the reporting period.

Environmental Issues

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

Future Developments, Prospects and Business Strategies

Capitalising on the expected upturn in the building and construction industry continues to be a primary focus for the Group in 2015 with a concentration on sustainable and profitable growth across all divisions. The Group will continue to invest it's resources in ensuring that it is well positioned to benefit from the growth in this sector.

Over the last 12 months, the management team have recently revisited and realigned the Group's strategic direction for the future. As part of this process, the Group's mission statement has been remodelled, new key financial measures have been identified, and key strategies for growth have been developed.

In addition, four strategic pillars have been developed as part of the Group's remodelled mission statement that aim to provide focus and direction going forward. These pillars are centered on;

- Building profitable growth and driving innovation to the market by;
  - Developing a new pipeline of business opportunities which equally grow revenue and margin levels;
  - Developing a new innovation process and investigating potential new product lines;
  - Expanding distribution networks in regional areas within the scaffold division;
  - Identifying and developing a concise plan to grow the garden sheds division;
  - Repositioning and strengthening the Oldfields brand; and
  - Expanding distribution into growing markets internationally across all divisions.
- Developing and investing in people and continuing to build a market leading culture by;
  - Incorporating the Group's mission statement and strategic pillars into recruitment processes, training programs, performance management procedures, talent and succession plans and remuneration reviews;
  - Developing and renewing leadership capabilities across all divisions; and
  - The development and rollout of an employee engagement program which aims to improve productivity, inspire and motivate employees, and promote goal congruence.
- Improving on and ensuring that all areas of supply chain management are efficient by;
  - Ensuring adequate stock levels are maintained to meet customer demand and customer satisfaction levels remain high;
  - Reviewing and selecting key strategic suppliers;
  - Reviewing and negotiating prices in order to reduce inventory costs and improve margins;
  - Implementing sales and operational planning to optimise working capital and cash flow management;
  - Developing and implementing a process of benchmarking scaffold branches to drive improvements;
  - Continuing the review and optimising of scaffold branch locations; and
  - Developing and implementing ongoing efficiency and cost reduction programs.
- Improving mission-critical processes and systems by;
  - Identifying and improving key business processes and functions; and
  - Developing and implementing new reporting standards across all divisions.

Each of these pillars will be supported by financial and operational measures to track the Group's progress of these initiatives and monitor their success. The management team and the Board are excited about the Group's future prospects and feel confident that these initiatives will improve the group's results in 2015 and beyond. Due to the present uncertainty in world markets, it is not possible at this stage to predict future results of these operations.

Information relating to Directors and Company Secretary

Tony Joseph Grima	—	Executive Director and Chief Executive Officer (appointed 14 October 2013)
Qualifications	—	Master of Commerce (Marketing)
Experience	—	15 years experience in general management roles in a large Fortune 500 company, both within Australia and overseas, with a number of years experience in the building products industry.
Interest in Shares and Options	—	100,000 shares held
William Lewis Timms	—	Non-executive Director and Chairman (appointed 18 December 2009)
Qualifications	—	Bachelor of Business (Accounting and Audit), Real Estate and Business Agent.
Experience	—	28 years experience in accounting, taxation and audit, 21 years experience in commercial real estate and project management
Interest in Shares and Options	—	39,384,528 shares held
Special Responsibilities	—	Member of the Audit Committee and Member of the Remuneration Committee
Stephen Charles Hooper	—	Non-executive Director (appointed 23 May 2013)
Qualifications	—	Bachelor of Science
Experience	—	21 years experience in senior executive roles in the fast moving consumer goods industry, with a focus on supply chain management
Interest in Shares and Options	—	Nil shares held
Special Responsibilities	—	Chairman of the Audit Committee and Chairman of the Remuneration Committee
Christopher Michael Giles	—	Executive Director and Chief Executive Officer (resigned 30 April 2014)
Qualifications	—	Bachelor of Commerce, CPA
Experience	—	26 years experience in senior financial and general management roles in the fast moving consumer goods industry.
Interest in Shares and Options	—	1,160,000 shares held

Company Secretary

Gregory John Park — Bachelor of Business, CA. Gregory was appointed as the Chief Financial Officer and Company Secretary on 28 April 2014. Gregory has more than 20 years experience in senior financial and general management roles in retailing, manufacturing and distribution in the fast moving consumer goods industry.

Robert Allan Coleman - Bachelor of Commerce (Accounting), CPA. Resigned 9 January 2014.

Meetings of Directors

During the financial year, 14 meetings of directors (including committees of directors) were held.
Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number eligible to attend	Number eligible to attend	Number eligible to attend	Number eligible to attend	Number eligible to attend
Tony Joseph Grima (appointed 14 October 2014)	9	9	1	1	-	-
William Lewis Timms	11	11	2	2	1	1
Stephen Charles Hooper	11	11	2	2	1	1
Christopher Michael Giles (resigned 30 April 2014)	9	9	2	2	-	-

Dividends Paid or Recommended

At this stage, the directors have not paid or declared payment of a dividend during or since the end of the financial year.

Indemnifying Officers

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 all past, present and future directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of directors of the company, other than conduct involving a wilful breach of duty in relation to the company. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

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 does 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 BDO East Coast Partnership for non-audit services:

	2014	2013
	$	$
Taxation and other services	18,725	26,080

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received.

Options

At the date of this report, there were no unissued ordinary shares of Oldfields Holdings Limited under options.

AUDITED REMUNERATION REPORT

Remuneration policy

The remuneration policy of Oldfields Holdings Limited has been designed to align key management personnel (KMP) 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 it's ability to attract and retain the high-quality KMP 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 KMP of the consolidated group is as follows:

- The remuneration policy is to be developed by the remuneration committee and approved by the Board after professional advice is sought from independent external consultants.
- KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.
- The remuneration committee reviews KMP packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed biannually 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 change must be justified by reference to measurable performance criteria. The policy is designed to attract high calibre executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive at a minimum, a superannuation guarantee contribution required by the government, which is currently 9.25% (9.5% from 1 July 2014) of the individual's average weekly ordinary time earnings (AWOTE). Some individuals however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement.

All remuneration paid to KMP 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.

Engagement of Remuneration Consultants

During the financial year, there were no consultants engaged by the remuneration committee to review the elements of KMP remuneration and provide recommendations.

Performance-based Remuneration

The KPIs are set annually, with consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Oldfields Holdings Limited bases the assessment on audited figures, however, where the KPI involves comparison of the Group or a division within the Group to the market, independent reports are obtained from organisations such as Standard & Poors.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position Held as at 30 June 2014 and any change during the year	Contract details (duration & termination)
Group Key Management Personnel		
Tony Joseph Grima	Executive Director, appointed 14 October 2014	Duration & termination unspecified.
William Lewis Timms	Non-executive Director	Duration & termination unspecified.
Stephen Charles Hooper	Non-executive Director	Duration & termination unspecified.
Christopher Michael Giles	Executive Director, resigned 30 April 2014	Duration & termination unspecified.
Robert Allan Coleman	Company Secretary and CFO, resigned 9 January 2014	Duration & termination unspecified.
Gregory John Park	Company Secretary and CFO, appointed 28 April 2014	Duration & termination unspecified.

AUDITED REMUNERATION REPORT (CONTINUED)

Employment Details of Members of Key Management Personnel (continued)

	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
	Non-salary cash based incentives	Shares/ Units %	Options/ Rights %	Fixed Salary/Fees %	Total %
Group Key Management Personnel					
Tony Joseph Grima	-	-	-	100	100
William Lewis Timms	-	-	-	100	100
Stephen Charles Hooper	-	-	-	100	100
Christopher Michael Giles	-	-	-	100	100
Robert Allan Coleman	-	-	-	100	100
Gregory John Park	-	-	-	100	100

The employment terms and conditions of all KMP are formalised in contracts of employment.

There are no pre-defined termination benefits payable to key management personnel, other than previously accrued leave entitlements. A period of at least 3 months notice is generally required to be given on termination of all key management personnel.

Changes in Directors and Executives

On 30 April 2014, Christopher Michael Giles resigned as a Director.
On 14 October 2013, Tony Joseph Grima commenced as a Director.
On 9 January 2014, Robert Allan Coleman resigned from the position of Company Secretary and Chief Financial Officer.
On 28 April 2014, Gregory John Park commenced as Company Secretary and Chief Financial Officer.

Remuneration Expense Details for the Year Ended 30 June 2014

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards:

Table of Benefits and Payments for the year ended 30 June 2014

	Short-term benefits		Post Employment Benefits	Long-term benefits	Termination benefits	Total
	Salary, Fees and Leave	Non-monetary	Pension and superannuation	LSL		
2014	$	$	$	$	$	$
Group Key Management Personnel						
Tony Joseph Grima	146,411	7,280	13,543	-	-	167,234
William Lewis Timms	60,000	-	5,550	-	-	65,550
Stephen Charles Hooper	45,872	-	4,243	-	-	50,115
Christopher Michael Giles	150,790	10,891	11,084	-	-	172,765
Robert Allan Coleman	119,288	9,310	9,544	-	-	138,142
Gregory John Park	29,361	-	2,716	-	-	32,077
Total KMP	551,722	27,481	46,680	-	-	625,883

	Short-term benefits		Post Employment Benefits	Long-term benefits	Termination benefits	Total
	Salary, Fees and Leave	Non-monetary	Pension and superannuation	LSL		
2013	$	$	$	$	$	$
Group Key Management Personnel						
Tony Joseph Grima	-	-	-	-	-	-
William Lewis Timms	41,245	-	3,712	-	-	44,957
Stephen Charles Hooper	3,823	-	344	-	-	4,167
Christopher Michael Giles	200,000	6,922	18,000	-	-	224,922
Robert Allan Coleman	160,000	14,774	14,400	-	-	189,174
Gregory John Park	-	-	-	-	-	-
Julie Garland McLellan	80,885	-	8,987	-	-	89,872
Raymond John Titman	1,490	-	-	12,911	63,158	77,559
Total KMP	487,443	21,696	45,443	12,911	63,158	630,651

AUDITED REMUNERATION REPORT (CONTINUED)

Securities Received that are not Performance Related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

Cash Bonuses, Performance-Related Bonuses and Share-based Payments

There were no cash bonuses, performance-related bonuses or share-based payments made to key management personnel during the year.

Options and Rights Granted as Remuneration

There were no options or rights granted as remuneration during the year.

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:

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Charges during the Year	Balance at End of Year
Tony Joseph Grima	-	-	-	100,000	100,000
William Lewis Timms	39,384,528	-	-	-	39,384,528
Stephen Charles Hooper	-	-	-	-	-
Christopher Michael Giles	1,400,000	-	-	(240,000)	1,160,000
Robert Allan Coleman	-	-	-	-	-
Gregory John Park	-	-	-	-	-
	40,784,528	-	-	(140,000)	40,644,528

Other transactions with KMP and/or their related parties

There were no other transactions conducted between the Group and KMP or their related parties, other than those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

END OF AUDITED REMUNERATION REPORT

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

Tony

Tony Joseph Grima

Dated: 29-August-2014

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000

Australia

DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF OLDFIELDS HOLDINGS LIMITED

As lead auditor of Oldfields Holdings Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Oldfields Holdings Limited and the entities it controlled during the period.

Paul Bull
Partner

BDO East Coast Partnership

Sydney, 29 August 2014

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated Group	
		2014	2013
	Note	$	$
Sales revenue	3	27,230,905	26,644,174
Cost of sales		(15,026,856)	(14,246,765)
Gross profit		12,204,049	12,397,409
Other income	3	30,251	5,683,583
Distribution expenses		(7,923,428)	(8,134,875)
Marketing expenses		(563,461)	(405,159)
Occupancy expenses		(1,416,393)	(1,372,407)
Administrative expenses		(2,815,937)	(2,765,059)
Finance costs		(484,505)	(524,584)
Revaluation of deferred senior loan note derivative component		(204,555)	(97,553)
Share of net profits of associated companies	14	108,953	2,057
(Loss)/gain on disposal of investment in associated companies		(1,363,381)	23,410
(Loss)/profit before income tax	4	(2,428,407)	4,806,822
Tax expense	5	(147,427)	(167,070)
Net (loss)/profit for the year		(2,575,834)	4,639,752
Other comprehensive income:			
Fair value loss on cash flow hedges (effective portion), net of tax	5c	(7,749)	(3,562)
Exchange differences on translating foreign operations, net of tax	5c	(235,324)	(34,164)
Other comprehensive income for the year		(243,073)	(37,726)
Total comprehensive (loss)/income for the year		(2,818,907)	4,602,026
Net (loss) profit attributable to:			
Members of the parent entity		(2,714,793)	4,486,972
Non-controlling interest		138,959	152,780
		(2,575,834)	4,639,752
Total comprehensive (loss)/income attributable to:			
Members of the parent entity		(2,957,866)	4,449,246
Non-controlling interest		138,959	152,780
		(2,818,907)	4,602,026
		Cents	Cents
(Loss)/Earnings per share for the year attributable to members of the parent entity:			
From continuing operations:			
Basic (loss)/earnings per share	9	(3.31)	6.45
Diluted (loss)/earnings per share	9	(3.31)	6.45

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 2014

		Consolidated Group	
		2014	2013
	Note	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	373,252	677,404
Trade and other receivables	11	3,304,666	3,622,227
Inventories	12	4,811,624	4,047,827
Other assets	13	769,399	371,300
Current tax assets	21	91,392	42,439
TOTAL CURRENT ASSETS		9,350,333	8,761,197
NON-CURRENT ASSETS			
Investments accounted for using the equity method	14	-	875,027
Property, plant and equipment	16	7,470,354	8,221,565
Intangible assets	17	1,045,512	1,176,699
Deferred tax assets	21	43,822	32,540
TOTAL NON-CURRENT ASSETS		8,559,688	10,305,831
TOTAL ASSETS		17,910,021	19,067,028
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	2,926,131	2,437,649
Borrowings	19	971,663	1,261,216
Short-term provisions	20	1,015,871	938,269
Derivative liability	22	13,353	5,604
TOTAL CURRENT LIABILITIES		4,927,018	4,642,738
NON-CURRENT LIABILITIES			
Borrowings	19	4,876,726	4,998,375
Derivative liability	22	1,909,183	1,704,628
Deferred tax liabilities	21	95,462	51,054
Long-term provisions	20	59,277	35,818
TOTAL NON-CURRENT LIABILITIES		6,940,648	6,789,875
TOTAL LIABILITIES		11,867,666	11,432,613
NET ASSETS		6,042,355	7,634,415
EQUITY			
Issued capital	23	21,106,101	21,176,101
Reserves		(39,574)	(1,241,861)
Accumulated loss		(15,463,307)	(12,748,513)
Parent interest		5,603,220	7,185,727
Non-controlling interest		439,135	448,688
TOTAL EQUITY		6,042,355	7,634,415

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 2014

	Note	Issued Capital	Retained Earnings	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Subtotal	Non-controlling interests	Total
		$	$	$	$	$	$	$
Consolidated Group								
Balance at 1 July 2012		18,751,301	(17,235,485)	(2,042)	(1,202,093)	311,681	444,420	756,101
Profit for the year		-	4,486,972	-	-	4,486,972	152,780	4,639,752
Other comprehensive loss for the year		-	-	(3,562)	(34,164)	(37,726)	-	(37,726)
Transactions with owners, in their capacity as owners, and other transfers:								
Shares issued during the year		2,613,259	-	-	-	2,613,259	-	2,613,259
Transaction costs		(188,459)	-	-	-	(188,459)	-	(188,459)
Dividends recognised for the year	8	-	-	-	-	-	(148,512)	(148,512)
Balance at 30 June 2013		21,176,101	(12,748,513)	(5,604)	(1,236,257)	7,185,727	448,688	7,634,415
Balance at 1 July 2013		21,176,101	(12,748,513)	(5,604)	(1,236,257)	7,185,727	448,688	7,634,415
(Loss)/profit for the year		-	(2,714,793)	-	-	(2,714,793)	138,959	(2,575,834)
Other comprehensive loss for the year		-	-	(7,749)	(235,324)	(243,073)	-	(243,073)
Transactions with owners, in their capacity as owners, and other transfers:								
Transaction costs relating to prior year share issue		(70,000)	-	-	-	(70,000)	-	(70,000)
Dividends recognised for the year	8	-	-	-	-	-	(148,512)	(148,512)
Realisation of foreign exchange differences on disposal of associated companies		-	-	-	1,445,360	1,445,360	-	1,445,360
Balance at 30 June 2014		21,106,101	(15,463,306)	(13,353)	(26,221)	5,603,221	439,135	6,042,356

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 2014

	Note	Consolidated Group	
		2014	2013
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		29,984,624	29,620,391
Interest received		228	7,576
Payments to suppliers and employees		(28,862,269)	(28,235,358)
Finance costs		(343,549)	(365,386)
Income tax paid		(163,253)	(145,144)
Interest paid on director's loan		(2,172)	(7,410)
Other income received		42,318	189,578
Net cash provided by operating activities	27a	655,927	1,064,247
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		179,985	253,643
Purchase of property, plant and equipment		(411,040)	(485,823)
Purchase of intangibles		-	(77,887)
Net cash used in investing activities		(231,055)	(310,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	2,613,259
Proceeds from borrowings		359,280	484,173
Payments relating to issue of additional shares		(70,000)	(188,459)
Repayment of borrowings		(632,868)	(3,462,307)
Loans from related parties			
- payments made		(202,172)	(160,992)
- proceeds from borrowings		200,000	-
Dividends paid by controlled entities to non-controlling interests		(148,512)	(148,512)
Net cash used in financing activities		(494,272)	(862,838)
Net decrease in cash held		(69,400)	(108,658)
Cash and cash equivalents at beginning of financial year		(177,780)	(69,122)
Cash and cash equivalents at end of financial year	10	(247,180)	(177,780)

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Oldfields Holdings Limited and Controlled Entities (the "Consolidated Group" or "Group"). The separate financial statements of the parent entity, Oldfields Holdings Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 29 August 2014 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Oldfields Holdings Limited and its Australian wholly-owned entities have entered into a deed of cross guarantee under which the company and it's subsidiaries guarantee the debts of each other.

Going Concern

As disclosed in the consolidated financial statements, the group generated a loss after tax of $2,575,834 for the year ended 30 June 2014. The group also breached a banking covenant during the year for which a waiver was obtained. Subsequent to year end, the Group renegotiated its covenants and repayment requirements with it's bankers (refer note 19). The combination of these circumstances represents a material uncertainty that may cast significant doubt upon the group's ability to continue as a going concern. The consolidated financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the group is unable to continue as a going concern.

Nevertheless, the Directors are confident that the group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial report for the following reasons:

- The group anticipates revenue growth over the next 12 months and has already begun implementing a strategic plan to achieve these objectives;
- Within the paint equipment division, inventory significantly increased during the year ensuring continuity of supply, particularly to a major customer undergoing strong growth. The projected return to normal inventory requirements over the coming year will free up working capital;
- The sale of the investment in the associate, PT Ace Oldfields, was in consideration for inventory. Hence, as the inventory is sold down it will be ultimately converted into cash and will assist with working capital liquidity;
- Revisions to arrangements with key suppliers and customers have been made to align terms of trade with the operating cycle of the group; and
- The forecast for 2015 suggests cash flows from operations will be positive and that renegotiated covenant terms and repayments will be met.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Oldfields Holdings Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 15.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as 'Non-controlling Interests'. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. 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 liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in the profit or loss and other comprehensive income statement when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Note 1 Summary of Significant Accounting Policies (continued)

(a) Principles of Consolidation (continued)

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:
(i) the consideration transferred;
(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); 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 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.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. 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.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances 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). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is 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.

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, representing the lowest level at which goodwill is monitored being 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 disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(b) Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(c) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are 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 as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, 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 and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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) a legally enforceable right of set-off exists; and (b) 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 subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity within 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 Taxation Office (ATO) that it had formed an income tax consolidated group to apply from 1 July 2003. The tax consolidated group has also entered into 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 amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to their funding arrangement are recognised as either a contribution by, or distribution to the head entity.

Note 1 Summary of Significant Accounting Policies (continued)

(d) 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 rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing 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 method.

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

Revenue 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 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.

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

(e) 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 profit or loss in the period in which they are incurred.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(g) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(r) for further discussion on the determination of impairment losses.

(h) 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 proportion 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.

(i) 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.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(r) for details of impairment).

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

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 recognised as expenses in profit or loss during the financial period in which they are incurred.

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 company 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
Leasehold improvements	20-33%
Plant and equipment	5-33%
Motor vehicles	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 recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Note 1 Summary of Significant Accounting Policies (continued)

(j) Intangibles Other than Goodwill

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. They 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 lives 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 is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

(k) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) 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 is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in 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 Group's interest in the associate.

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 recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investments in associates are shown at Note 15.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

(o) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Note 1 Summary of Significant Accounting Policies (continued)

(p) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising 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 recognised 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 lease term.

(q) Financial Instruments

Recognition and initial 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 (i.e. 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.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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

Financial assets are classified at "fair value through profit or loss" when they are 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 amount 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.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(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.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) **Available-for-sale investments**

Available-for-sale investments are non-derivative financial assets that are either not capable of being 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.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Note 1 Summary of Significant Accounting Policies (continued)

(p) Financial Instruments (continued)

Derivative instruments

The Group 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 hedge).

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 qualify as fair value hedges are recognised in profit or loss, 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 profit or loss.

Amounts accumulated in the hedge reserve in equity are transferred to profit or loss in the periods when the hedged item affects profit or loss.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(r) Fair Value of Assets and Liabilities

The Group measures some of it's assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at reporting date (i.e., the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (excluding those related to share based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

Note 1 Summary of Significant Accounting Policies (continued)

(s) Impairment of Assets

At 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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, intangible assets with indefinite lives and intangible assets not yet available for use.

(t) 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 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 profit or loss, 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 other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

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 exchange rates prevailing at the end of the reporting period;
- 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 with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(u) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

(w) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Oldfields Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(x) 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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(y) Comparative Figures

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in it's financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

Note 1 Summary of Significant Accounting Policies (continued)

(z) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements 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

(i) Impairment - general

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.

(ii) Employee entitlement provisions - Long Service Leave

As discussed in note 1(m), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(iii) Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1(r). The recoverable amounts of cash generating units have been determined based on value-in use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of estimated future cash flows.

(iv) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it probably that future taxable benefits will be available to utilise those temporary differences and losses.

(v) Derivatives

The Group uses valuation techniques to estimate the fair value of certain derivative financial instruments. Information on the key assumptions used in estimating the fair values of these instruments is found at note 31.

Key judgments

(i) Provision for impairment of receivables

The provision for impairment of receivables assessment required a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of the receivables, historical collection rates and specific knowledge of the individual debtors financial position.

(ii) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of the inventories, and other factors that affect inventory obsolescence.

(iii) Estimation of useful lives of assets

The consolidated entity determined the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or down.

(aa) New and Amended Accounting Policies adopted by the Group

Consolidated financial statements

The Group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013.

— AASB 10: Consolidated financial statements

AASB 10 provides a revised definition of 'control' and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous Accounting Pronouncements.

The first-time application of AASB 10 has not resulted in changes to the Group's financial statements.

Employee benefits

The Group adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Group has applied these Standards retrospectively in accordance with AASB 108 and the transitional provisions of AASB 119.

Othan than additional disclosures, the adoption of these Standards has not resulted in a significant change in the Group's financial statements.

Fair value measurement

The Group has applied AASB13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB13 from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer vale. The standard requires increased disclosures where fair value is use.

Note 1 Summary of Significant Accounting Policies (continued)

(ab) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

— AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

The Standards will be applicable retrospectively (subject to the comment on hedge accounting below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

The adoption of AASB 9 is unlikely to have an impact on the Group's financial statements.

— AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

— Interpretation 21: *Levies* (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

— AASB 2013–3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.

— AASB 2013–4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.

— AASB 2013–5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–5 amends AASB 10: Consolidated Financial Statements to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

	2014	2013
	$	$

Note 2 Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position

	2014 $	2013 $
ASSETS		
Current Assets	211,563	241,228
Non-current Assets	2,292,222	2,313,087
TOTAL ASSETS	2,503,785	2,554,315
LIABILITIES		
Current Liabilities	525,821	1,387,057
Non-current Liabilities	7,052,001	5,999,921
TOTAL LIABILITIES	7,577,822	7,386,978
NET ASSETS	(5,074,037)	(4,832,663)
EQUITY		
Issued Capital	21,106,101	21,176,101
Accumulated Losses	(26,166,785)	(26,003,160)
General Reserve	(13,353)	(5,604)
TOTAL EQUITY	(5,074,037)	(4,832,663)

Statement of Profit or Loss and Other Comprehensive Income

	2014 $	2013 $
Loss before tax	(270,736)	(1,145,112)
Total comprehensive loss	(278,485)	(1,148,674)

Loss for the year
The loss for the year for Oldfields Holdings Limited includes the write back of subsidiary loan accounts of $390,042 (2013: $6,653,034) which are eliminated on consolidation.

Guarantees
Oldfields Holdings Limited and it's Australian wholly-owned entities have entered into a deed of cross guarantee under which the company and its subsidiaries guarantee the debts of each other.

Contingent liabilities
The parent entity did not have any contingent liabilities as at 30 June 2014 or 30 June 2013.

Contractual commitments
The parent entity did not have any contractual commitments as at 30 June 2014 or 30 June 2013.

Note 3 Revenue and Other Income

	Consolidated Group	
	2014	2013
	$	$
(a) Revenue from continuing operations		
Sales revenue		
— sale of goods	15,738,243	15,672,617
— rental revenue	11,492,662	10,971,557
	27,230,905	26,644,174
Other income		
— other income	30,023	38,449
— interest received from other persons	228	7,576
— debt buy-back	-	5,500,000
— remission of interest	-	137,558
Total other income	30,251	5,683,583
(b) Total revenue and other income from continuing operations		
— Attributable to members of the parent entity	23,465,720	28,825,470
— Attributable to an entity with non-controlling interests	3,795,436	3,502,287
	27,261,156	32,327,757

	Note	Consolidated Group 2014 $	2013 $
Note 4 Profit for the Year			
Profit before income tax from continuing operations includes the following specific expenses:			
Cost of sales		15,026,856	14,246,765
Inventory recognised as an expense during the year		8,349,143	7,766,433
Finance costs:			
— Directors		2,172	7,410
— Associated companies		-	5,685
— Related parties	29	12,884	27,240
— Unrelated parties		302,473	379,545
— Hire purchase charges		54,838	55,738
— Unwinding of discount on deferred senior loan		97,138	46,325
— Other borrowing costs		15,000	2,641
Total finance cost		484,505	524,584
Foreign currency translation losses		82,980	(11,156)
Depreciation expense		1,015,860	984,015
Amortisation expense		152,504	50,377
Employee benefits expense		9,145,339	9,082,823
Bad and doubtful debts		42,151	81,780
Rental expense on operating leases		1,236,581	1,198,426
Loss on disposal on investment in associated companies:			
— reclassification of foreign currency exchange differences relating to associated companies		1,445,360	-
— gain on disposal/reduction of investment in associated companies		(81,979)	(23,410)
		1,363,381	(23,410)

Note 5 Tax Expense

	Note	2014 $	2013 $
(a) The components of tax expense/(income) comprise:			
Current tax		114,300	1,604,075
Deferred tax	21	33,126	(53,131)
Recoupment of prior year tax losses		-	67,928
Loss on disposal of investment in associated companies		-	25,087
Current year deferred tax assets not recognised		-	173,111
Debt buy-back reducing prior year losses		-	(1,650,000)
		147,426	167,070
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%)		(728,522)	1,442,047
Add tax effect of:			
— non-allowable items		6,227	6,354
— under provision for income tax in prior year		(26,662)	-
— unwinding of discount on DSLN not deductible		29,141	13,898
— revaluation of derivative element of DSLN not deductible		61,367	29,265
— net difference between tax and book value on disposal of PPE		63,823	-
— exempt foreign loss from disposal on investment in associated companies		409,014	-
		(185,612)	1,491,564
Less tax effect of:			
— share of net profits of associates and joint venture entities netted directly		32,686	617
— net tax effect profit/(loss) from overseas operations		(12,574)	(110,171)
— current year deferred tax assets not recognised		(353,151)	-
— debt buy-back reducing prior year losses		-	1,650,000
— current year losses not recognised		-	(173,111)
— loss on disposal of investment in associated companies		-	25,087
Recoupment of prior year tax losses not previously brought to account		-	(67,928)
Income tax attributable to entity		147,427	167,070
The applicable weighted average effective tax rates are as follows:		-6.1%	3.5%

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

		2014			2013		
	Note	Before-tax amount	Tax (expense) benefit	Net-of-tax amount	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
Consolidated Group		$	$	$	$	$	$
Gain on cash flow hedges	32	(11,070)	3,321	(7,749)	(5,089)	1,527	(3,562)
Exchange differences on translating foreign operations	32	(235,324)	-	(235,324)	(34,164)	-	(34,164)
		(246,394)	3,321	(243,073)	(39,253)	1,527	(37,726)

Note 6 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2014.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2014	2013
	$	$
Short-term employee benefits	579,203	509,139
Post-employment benefits	46,680	45,443
Other long term benefits	-	12,911
Termination benefits	-	63,158
Share-based payments	-	-
Total KMP compensation	625,883	630,651

Short-term employee benefits

– these amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

– these amounts are the current year's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

– these amounts represent long service leave benefits accruing during the year, long-term disability benefits, and deferred bonus payments.

Share-based payments

– these amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Director's Remuneration Report.

	Note	Consolidated Group 2014	Consolidated Group 2013
		$	$
Note 7 Auditors' Remuneration			
Remuneration of the auditors for:			
— auditing or reviewing the financial report		141,078	151,904
— taxation services		12,000	26,080
— other services		6,725	-
		159,803	177,984
Remuneration of auditors of subsidiaries for:			
— auditing or reviewing the financial statements of subsidiaries		2,991	10,457
Remuneration of previous auditors of subsidiaries for:			
— auditing or reviewing the financial statements of subsidiaries		-	13,526
Note 8 Dividends			
(a) Since the start of the financial year, no dividends have been paid or declared by the parent entity.			
(b) Balance of franking account at year end		808,627	772,951
(c) During the year, fully franked dividends were paid by Adelaide Scaffold Solutions Pty Limited (subsidiary of Oldfields Holdings Limited) to Sibley Investments Pty Limited, being the minority interest holder in the entity. Total dividends paid for the year were $148,512 (2013: $148,512).			
Note 9 Earnings per Share			
(a) Reconciliation of earnings to profit or loss			
(Loss) profit for the year		(2,575,834)	4,639,752
Profit attributable to non-controlling equity interest		(138,959)	(152,780)
Earnings used to calculate basic EPS		(2,714,793)	4,486,972
		No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS		82,176,198	69,575,276
Note 10 Cash and Cash Equivalents			
Cash on hand		2,587	3,056
Cash at bank		370,665	674,348
	30	373,252	677,404
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:			
Cash and cash equivalents		373,252	677,404
Bank overdrafts	19	(620,432)	(855,184)
		(247,180)	(177,780)

A fixed and floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 19 for further details.

An analysis of the Group's exposure to certain risks has been presented in Note 30.

	Consolidated Group 2014 $	Consolidated Group 2013 $
Note 11 Trade and Other Receivables		
CURRENT		
Trade receivables	3,348,853	3,641,250
Provision for impairment	(44,187)	(19,023)
Total current trade and other receivables	3,304,666	3,622,227

(a) **Provision For impairment of receivables**

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included within the distribution expenses item in the consolidated statement of profit or loss and comprehensive income.

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

	Opening Balance 01.07.13	Charge for the Year	Amounts Written Off	Amounts Recovered	Closing Balance 30.06.14
Consolidated Group	$	$	$	$	$
Current trade receivables	(19,023)	(42,151)	18,744	(1,757)	(44,187)

	Opening Balance 01.07.12	Charge for the Year	Amounts Written Off	Amounts Recovered	Closing Balance 30.06.13
Consolidated Group	$	$	$	$	$
Current trade receivables	(57,328)	(81,780)	135,720	(15,635)	(19,023)

Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 11. 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 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 with 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	
2014	$	$	$	$	$	$	$
Trade and term receivables	3,348,853	44,187	155,618	128,998	-	-	3,020,050

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	
2013	$	$	$	$	$	$	$
Trade and term receivables	3,641,250	19,023	194,031	194,650	-	-	3,233,546

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
(b) **Financial assets classified as loans and receivables**			
Trade and other Receivables			
— Total current		3,304,666	3,622,227
— Total non-current		-	-
Financial assets	30	3,304,666	3,622,227

(c) **Collateral pledged**

A fixed and floating charge over trade receivables has been provided for certain debt. Refer to Note 19 for further details.

	2014 $	2013 $
Note 12 Inventories		
CURRENT		
At cost:		
Raw materials and stores	841,336	744,929
Work in progress	433,398	429,555
Finished goods	3,241,154	2,713,457
Goods in transit	510,148	431,356
Less provisions	(214,412)	(271,470)
	4,811,624	4,047,827

	Note	Consolidated Group 2014 $	2013 $
Note 13 Other Assets			
CURRENT			
Prepayments		296,166	286,491
Other debtors		473,233	84,809
		769,399	371,300
Financial assets classified as loans and receivables			
Trade and other Receivables			
— Total current		473,233	84,809
— Total non-current		-	-
Financial assets	30	473,233	84,809

Note 14 Associated Companies

(a) **Information about Associates Companies**

Name	Principal activities	Place of incorporation	Proportion of interest 2014 %	2013 %	Carrying amount 2014 $	2013 $
PT Ace Oldfields	Paint Equipment Manufacturer	Indonesia	0%	34%	-	774,066
Enduring Enterprises	Hardware Reseller	Singapore	0%	34%	-	(6,687)
Honeytree & Partners	Hardware Marketer	Singapore	0%	34%	-	107,648
					-	875,027

(i) On 10 March 2014, the Group disposed of it's interest in the associated companies PT Ace Oldfields, Enduring Enterprises and Honeytree and Partners. Consideration received in relation to this sale was $827,932 and will be received in the form of a write back of the trade payable balance owing to the associated companies (along with purchases of product) over an approximate 12 month period. At 30 June 2014, the balance owed was $399,989 and is included in other debtors in note 13 above. The net loss on the disposal of these investments was $1,363,381 which includes the realisation of foreign currency translation movements of $1,445,360. Subsequent to year end, the Group entered into an arrangement with it's bank for the repayment of a portion of the proceeds on disposal of associated companies to commence from 1 January 2015. Repayments will be made in eight monthly instalments of $75,000.

(ii) On 17 October 2012, the Group reduced it's interest in the associated companies PT Ace Oldfields, Enduring Enterprises and Honeytree and Partners. This resulted in a decrease of the ownership interest of the investments from 49% to 34%. Consideration received in relation to this sale was $391,820 and was received in the form of a write back of the trade payable balances owing to the associated companies at the time the transaction occurred. The gain on the disposal of these shares was $23,410.

(iii) All associated companies listed above report on a financial year ending 31 December in accordance with the laws and regulations of the country of incorporation.

(b) **Commitments and contingent liabilities in respect of associated companies**

As at 30 June 2013 and 30 June 2014, there were no significant commitments or contingent liabilities.

(c) **Summarised financial information for associated companies**

Set out below is the summarised financial information for the Group's material investments in associates. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian-Accounting-Standards financial statements of the associates. The following summarised financial information, however, reflects the adjustments made by the Group when applying the equity method, including adjustments for any differences in accounting policies between the Group and the associates.

The values presented for 2014 is based on financial information for the period ending 31 December 2013 (2013: period ending 31 May 2013) as there was no further information available at the time of preparing the financial report. Exchange rates used for items in the statement of financial performance were based on average rates for the period to 31 December 2013 (2013: average rates for period to 31 May 2013). Exchange rates used for items in the statement of financial position were based on closing rates at 10 March 2014, being the date at which the Group disposed it's interest in the associated companies (2013: closing rates at 30 June 2014).

	2014 $	2013 $
Summarised financial position		
Total current assets	-	8,302,000
Total non-current assets	-	827,712
Total current liabilities	-	3,429,418
Total non-current liabilities	-	3,126,685
Net assets	-	2,573,609
Group's share (%)	0%	34%
Group's share of associate's net assets	-	875,027
Summarised financial performance		
Revenue	6,719,871	11,662,800
Profit after tax	320,450	6,050
Other comprehensive income	-	-
Total comprehensive income	320,450	6,050
Dividends paid	-	(57,376)
Group's share of associates' profit after tax from continuing operations	108,953	2,057
Group's share of associates' other comprehensive income	-	-
Group's share of dividends paid	-	(19,508)
Reconciliation to carrying amounts		
Group's share of associates' opening net assets	875,027	1,265,903
Group's share of associates' profit after tax from continuing operations	108,953	2,057
Group's share of dividends paid by associate	-	(19,508)
Disposals during the period	(700,003)	(368,411)
Foreign currency translation losses	(283,977)	(5,014)
Group's share of associates' closing net assets (closing carrying amount of investment)	-	875,027

Note 15 Interests in Subsidiaries

(a) **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

		Ownership interest		Non-controlling interests	
Name of subsidiary	Principal place of business	2014 (%)	2013 (%)	2014 (%)	2013 (%)
Subsidiaries of Oldfields Holdings Limited:					
Oldfields Pty Limited	Australia	100%	100%	0%	0%
Oldfields Advance Scaffold Pty Limited	Australia	100%	100%	0%	0%
Oldfields Administration Pty Limited	Australia	100%	100%	0%	0%
Oldfields International Pty Limited	Australia	100%	100%	0%	0%
Advantage Contracting Pty Limited	Australia	100%	100%	0%	0%
Advantage Scaffolding Pty Limited	Australia	100%	100%	0%	0%
Shed Holdings Pty Limited	Australia	100%	100%	0%	0%
Advance Scaffold Solutions Pty Limited	Australia	100%	100%	0%	0%
NOST Investments Pty limited	Australia	100%	100%	0%	0%
Subsidiaries of Oldfields Pty Limited:					
Midco Pty Limited	Australia	100%	100%	0%	0%
Subsidiaries of Oldfields Advance Scaffold Pty Limited:					
Adelaide Scaffold Solutions Pty Limited	Australia	60%	60%	40%	40%
Subsidiaries of Oldfields Administration Pty Limited:					
National Office Service Trust	Australia	100%	100%	0%	0%
Subsidiaries of NOST Investments Pty Limited:					
H & O Products Pty Limited	Australia	75%	75%	25%	25%
Subsidiaries of Oldfields International Pty Limited:					
Oldfields (NZ) Limited	New Zealand	100%	100%	0%	0%
Oldfields Paint Applications (NZ) Limited	New Zealand	100%	100%	0%	0%
Oldfields USA Incorporated	USA	100%	100%	0%	0%
Scaffold Management Systems Pty Limited	Australia	100%	100%	0%	0%
Subsidiaries of Shed Holdings Pty Limited:					
Backyard Installations Pty Limited	Australia	100%	100%	0%	0%
Sheds Plus Pty Limited	Australia	100%	100%	0%	0%
Adelaide Garden Sheds Pty Limited	Australia	100%	100%	0%	0%
Subsidiaries of Advance Scaffold Solutions Pty Limited:					
Scaffold The World Pty Limited	Australia	100%	100%	0%	0%
Foshan Advcorp Scaffold Limited	China	100%	100%	0%	0%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

(b) **Summarised financial information of subsidiaries with material non-controlling interests**

Set out below is the summarised financial information for Adelaide Scaffold Solutions Pty Ltd that has non-controlling interests that are material to the Group, before any intra-group eliminations. The entity's principal place of business is 12 OG Road, Klemzig, South Australia.

	2014 $	2013 $
Summarised financial position - material non-controlling interests		
Current assets	785,241	782,406
Non-current assets	1,824,561	1,898,962
Current liabilities	(481,588)	(416,529)
Non-current liabilities	(680,850)	(1,013,800)
NET ASSETS	1,447,364	1,251,039
Carrying amount of non-controlling interests	437,711	448,288
Summarised financial performance		
Revenue	3,797,309	3,500,487
Profit after tax	344,838	381,949
Other comprehensive income after tax	-	-
Total comprehensive income	344,838	381,949
Profit attributable to non-controlling interests	137,935	152,780
Distributions paid to non-controlling interests	148,512	148,512
Summarised cash flow information		
Net cash from/(used in) operating activities	434,069	353,959
Net cash from /(used in) investing activities	(44,561)	(26,964)
Net cash from/(used in) financing activities	(350,218)	(287,758)
Net increase in cash and cash equivalents	39,290	39,237

Note 16 Property, Plant and Equipment

	Consolidated Group 2014 $	Consolidated Group 2013 $
Plant and equipment:		
At cost	12,895,861	12,833,902
Accumulated depreciation	(5,964,012)	(5,344,916)
	6,931,849	7,488,986
Leasehold improvements		
At cost	348,979	384,657
Accumulated amortisation	(262,142)	(267,523)
	86,837	117,134
Motor vehicles		
At cost	1,995,916	2,275,560
Accumulated depreciation	(1,544,248)	(1,660,115)
	451,668	615,445
Total property, plant and equipment	7,470,354	8,221,565

Included in the plant and equipment balance is scaffold equipment for hire held by Oldfields Advance Scaffold Pty Ltd and Adelaide Scaffold Solutions Pty Ltd amounting to $6,272,369 (2013: $6,702,767).

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.

	Plant and Equipment $	Leasehold Improvements $	Motor Vehicles $	Total $
Consolidated Group:				
Balance at 1 July 2012	8,254,278	120,758	605,141	8,980,177
Additions	161,543	44,217	322,140	527,900
Disposals	(255,657)	-	(46,840)	(302,497)
Depreciation expense	(667,776)	(51,587)	(264,652)	(984,015)
Reclassification of assets	(3,402)	3,746	(344)	-
Balance at 30 June 2013	7,488,986	117,134	615,445	8,221,565
Additions	275,939	32,936	100,075	408,950
Disposals	(124,982)	(3,354)	(15,965)	(144,301)
Depreciation expense	(708,094)	(59,879)	(247,887)	(1,015,860)
Balance at 30 June 2014	6,931,849	86,837	451,668	7,470,354

Note 17 Intangible Assets

	Consolidated Group 2014 $	Consolidated Group 2013 $
Goodwill		
Cost	5,160,370	5,160,370
Accumulated impaired losses	(4,181,376)	(4,181,376)
Net carrying amount	978,994	978,994
Trademarks and licences		
Cost	177,447	177,447
Accumulated amortisation and impairment losses	(157,164)	(144,090)
Net carrying amount	20,283	33,357
Software and other intangibles at cost	393,553	372,236
Accumulated amortisation	(347,318)	(207,888)
Net carrying amount	46,235	164,348
Total intangibles	1,045,512	1,176,699

Note 17 Intangible Assets (continued)

Movements in Carrying Amounts

	Goodwill $	Trademarks & Licences $	Software & Other $	Total $
Balance at 1 July 2012	978,994	46,431	123,764	1,149,189
Additions	-	-	77,887	77,887
Disposals	-	-	(50,599)	(50,599)
Amortisation charge	-	(13,074)	(37,303)	(50,377)
Impairment losses	-	-	50,599	50,599
Balance at 30 June 2013	978,994	33,357	164,348	1,176,699
Additions	-	-	21,317	21,317
Amortisation charge	-	(13,074)	(139,430)	(152,504)
Balance at 30 June 2014	978,994	20,283	46,235	1,045,512

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill has an indefinite useful life.

Impairment disclosures

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

	Consolidated Group	
	2014 $	2013 $
Consumer products segment	140,564	140,564
Scaffold division segment	838,430	838,430
Total	978,994	978,994

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 key assumptions were used in the value-in-use calculations:

	Growth Rate				
	Year 1	Year 2-5	Terminal Value	Discount Rate	Excess of recoverable amount over carrying amount
Consumer products segment	7.50%	3.00%	3.00%	19.53%	45,480
Scaffold division segment	6.10%	2.50%	3.00%	17.30%	550,132

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.

The calculation of value-in-use is most sensitive to changes in the discount rate. As disclosed in Note 1, the directors have made judgements and estimates in respect of impairment testing of goodwill and intangible assets. Should these estimates not occur, the resulting goodwill and intangible assets may vary in carrying amount. If the discount rate was to increase by 3%, goodwill would not need to be impaired with all other assumptions remaining constant, for both the scaffold and consumer product segments.

Note 18 Trade and Other Payables

	Note	Consolidated Group 2014 $	2013 $
CURRENT			
Unsecured liabilities			
Trade payables		1,654,790	1,496,621
Sundry payables and accrued expenses		1,271,341	941,028
		2,926,131	2,437,649
(a) **Financial liabilities at amortised cost classified as trade and other payables**			
Trade and other payables			
— Total current		2,926,131	2,437,649
— Total non-current		-	-
Financial liabilities as trade and other payables	30	2,926,131	2,437,649

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
Note 19 Borrowings			
CURRENT			
Secured liabilities			
Bank overdrafts		620,432	855,184
Bank loans		115,800	144,750
Hire purchase liabilities		235,431	261,282
Total current borrowings		971,663	1,261,216
NON-CURRENT			
Unsecured liabilities			
Other related parties		68,750	143,750
		68,750	143,750
Secured liabilities			
Bank loans		3,688,302	3,775,152
Hire purchase liabilities		213,063	270,000
Debt element of deferred senior loan note		906,611	809,473
		4,807,976	4,854,625
Total non-current borrowings		4,876,726	4,998,375
Total borrowings	30	5,848,389	6,259,591

(a) **Total current and non-current secured liabilities:**

	2014	2013
Bank overdraft	620,432	855,184
Bank loan	3,804,102	3,919,902
Hire purchase liabilities	448,494	531,282
Debt element of deferred senior loan note	906,611	809,473
	5,779,639	6,115,841

(b) The Group has a finance facility in place with the bank until 31 August 2015 which includes normal commercial terms and conditions which are subject to such covenants as interest cover ratios; capital expenditure limits; gearing ratios; and the Group cannot create or acquire a new subsidiary unless that subsidiary becomes a party to the agreement.

During the year, the Group breached a covenant for which a waiver was received from the bank. Subsequent to year end, the Group negotiated a variation to it's banking facilities including having covenants reduced for a period of 9 months to 31 March 2015 and agreed to the repayment of a portion of the proceeds on disposal of the associate, PT Ace Oldfields, to commence from 1 January 2015. These repayments will be made in eight monthly instalments of $75,000. The carrying amount of borrowings which related to the breaches are as follows:

	2014	2013
Cash at bank	(370,665)	(674,348)
Bank overdraft	620,432	855,184
Bank loan	3,804,102	3,919,902
Debt element of deferred senior loan note	906,611	809,473
	4,960,480	4,910,211

(c) The carrying amounts of assets pledged as security are:

	2014	2013
Fixed and floating charge over total current and non-current assets	17,910,021	19,067,028

(d) **Collateral provided**

The bank overdrafts and bank loans of the Group are secured by a floating charge over the assets of the Group.
Hire purchase liabilities are secured by the underlying hire purchased asset.

Financial assets that have been pledged as part of the total collateral for the benefit of the bank debt are as follows:

	Note	2014	2013
Cash and cash equivalents	10	373,252	677,404
Trade receivables	11	3,304,666	3,622,227
Total financial assets pledged		3,677,918	4,299,631

The collateral over cash and cash equivalents represents a fixed and floating charge. Assets cannot be disposed of without the consent of the Group's bankers.

(e) **Deed of cross guarantee**

Oldfields Holdings Limited and its Australian wholly-owned entities have entered into a deed of cross guarantee under which the company and its subsidiaries guarantee the debts of each other.

Note 19 Borrowings (continued)

(f) **Deferred Senior Loan Note**

On 21 December 2012, the Group's bankers swapped senior debt for a Deferred Senior Loan Note (DSLN) for $2,370,224 with a 10 year maturity. The main terms of the loan note are as follows:

- The DSLN is secured against assets of the Group;
- Interest will be capitalised and paid either on termination or early payment;
- If the DSLN is repaid or partially repaid within the first 5 years, it will attract interest at 12% p.a;
- If the DSLN is repaid or partially repaid after the first 5 years, the amount of interest paid will be dependent upon the share price of the Group, but capped at 12% p.a;
- In the event that the weighted average share price of the company is the same or below the issue price of the capital raised at the time of the repayment after the first 5 years, the only payment due will be the original debt;
- The DSLN noteholder will also be entitled to receive a payment to the equivalent value of any dividend payment made by the Group;
- Entitlement to a dividend-triggered payment will be based on the face value of the DSLN divided by the issue price upon commencement of the facility agreement; and
- Other normal conditions apply in respect to meeting gearing and interest cover ratios.

Accordingly, the DSLN has been identified as containing two main components: the core debt and a derivative element capturing the capital appreciation payment, interest and dividend-triggered entitlement. The core debt has been discounted by 12% to net present value over the expected term of the DSLN (being 10 years) and is included in non-current borrowings.

	Consolidated Group	
	2014	2013
	$	$
Note 20 Provisions		
CURRENT		
Employee Benefits		
Opening balance at 1 July 2013	938,269	1,000,245
Additional provisions	602,997	611,625
Amounts used	(525,395)	(673,601)
Balance at 30 June 2014	1,015,871	938,269
NON CURRENT		
Employee Benefits		
Opening balance at 1 July 2013	35,818	81,801
Additional provisions	23,459	1,777
Amounts used	-	(47,760)
Balance at 30 June 2014	59,277	35,818
Analysis of Total Provisions		
Current	1,015,871	938,269
Non-current	59,277	35,818
	1,075,148	974,087

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(m).

Current leave obligations expected to be settled after 12 months	482,771

	Consolidated Group	
	2014	2013
	$	$
Note 21 Tax		
CURRENT TAX ASSETS		
Income tax receivable	91,392	42,439

NON-CURRENT	Opening Balance	Charged to Income	Closing Balance
Consolidated Group	$	$	$
Deferred tax liability			
Other	6,812	44,242	51,054
Balance at 30 June 2013	6,812	44,242	51,054
Other	51,054	44,408	95,462
Balance at 30 June 2014	51,054	44,408	95,462
Deferred tax assets			
Provisions	41,429	(8,889)	32,540
Balance at 30 June 2013	41,429	(8,889)	32,540
Provisions	32,540	11,282	43,822
Balance at 30 June 2014	32,540	11,282	43,822

The amount of deductible temporary differences and unused tax losses (at tax effect amounts) for which no deferred tax assets have been brought to account:

- temporary differences -$442,537 (2013: -$286,314)
- tax losses: operating losses $2,605,248 (2013: $2,095,915)
- tax losses: capital losses $81,908 (2013: $81,908)

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in Note 1(d) occur. These amounts have no expiry date.

		Consolidated Group	
		2014	2013
		$	$
Note 22 Derivatives			
CURRENT			
Forward exchange contracts		13,353	5,604
NON-CURRENT			
Deriviative element of deferred senior loan note		1,909,183	1,704,628

(a) Forward exchange contracts

Forward exchange contracts are used to hedge cash flow risk associated with future transactions. Gains and losses arising from changes in the fair value of these 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 profit or loss and other comprehensive income or the cost of assets. The statement of changes in equity includes transfers to and from the hedge reserve.

(b) Derivative Element - Deferred Senior Loan Note (capital appreciation, interest and dividend-triggered entitlement)

The capital appreciation, interest and dividend-triggered entitlement components of the Deferred Senior Loan Note, the details of which have been set out in note 31, have been accounted for as a derivative financial instrument liability on the basis that interest payments are indexed to the value of issued capital, but capped at 12% per annum. The assessed fair value of the derivative takes into account the expected cashflows incorporating the term (10 years) and discount rate used (12%)

(c) Total current and non-current secured liabilities

	Note	2014	2013
— Derivative liabilities	32	1,922,536	1,710,232

	Consolidated Group 2014 $	Consolidated Group 2013 $

Note 23 Issued Capital

	2014 $	2013 $
Fully paid ordinary shares 82,176,198 (2013: 82,176,198)	21,106,101	21,176,101

The company has authorised share capital amounting to 82,176,198 ordinary shares.

(a) **Ordinary Shares**

	Consolidated Group 2014 No.	Consolidated Group 2013 No.
At the beginning of the reporting period	82,176,198	56,043,605
Shares issued during the year		
— 24 December 2012	-	26,132,593
At the end of the reporting period	82,176,198	82,176,198

On 24 December 2012, the company issued 26,132,593 ordinary shares at $0.10 each to shareholders on the basis of 1 share for every 1 shares held.

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.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(e) **Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is subject to financing covenants as detailed in Note 19. The Group breached a covenant during the year, for which a waiver was received from the bank.

Management effectively manages the Group's capital by assessing the Group's 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.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to identify opportunities to reduce the Group's gearing ratio. The gearing ratios for the year ended 30 June 2014 and 30 June 2013 are as follows:

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
Total borrowings	18, 19	5,848,389	6,259,591
Less cash and cash equivalents	10	(373,252)	(677,404)
Net debt		5,475,137	5,582,187
Total equity		6,042,355	7,634,415
Total capital		11,517,492	13,216,602
Gearing ratio		48%	42%

Note 24 Capital and Leasing Commitments

(a) **Finance Lease Commitments**

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
Payable — minimum lease payments			
— not later than 12 months		268,206	300,749
— between 12 months and five years		233,937	304,048
Minimum lease payments		502,143	604,797
Less future finance charges		(53,649)	(73,515)
Present value of minimum lease payments	19	448,494	531,282

Included in finance lease commitments are hire purchase liabilities that are secured by a charge over the hire purchase assets.

(b) **Operating Lease Commitments**

Non-cancellable operating leases contracted for but not recognised in the financial statements

	2014 $	2013 $
Payable — minimum lease payments		
— not later than 12 months	1,179,450	1,155,492
— between 12 months and five years	2,117,654	1,767,952
— later than five years	207,657	-
	3,504,761	2,923,444

The property leases are non-cancellable leases with 1-5 year terms, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that minimum lease payments shall be increased by the lower of the change in the consumer price index or 3-5% per annum. Options exist to renew certain leases at the end of the term for an additional term of 1-5 years.

Note 25 Contingent Liabilities and Contingent Assets

The Group does not have any significant contingent liabilities or contingent assets as 30 June 2014 or 30 June 2013.

Note 26 Operating Segments

General 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 in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as 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.

Types of products and services by segment

(i) Consumer Products

The consumer products segment manufactures and markets paint brushes, paint rollers, painters tools, Treco garden sheds, outdoor storage systems, aviaries and pet homes.

(ii) Scaffolding

The scaffolding segment manufactures and markets scaffolding and related equipment. In addition, this segment is engaged in hiring scaffolding related products to the building and construction industry.

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, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

(b) **Inter-segment transactions**

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

Corporate charges are allocated to reporting segments based on the segment's 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.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(c) **Segment assets**

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most 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.

Note 26 Operating Segments (continued)

(i) **Segment performance**

	Consumer Products $	Scaffolding $	Total $
30 June 2014			
Revenue			
Sales Revenue	11,499,005	15,795,112	27,294,117
Inter-segment sales	-	-	(63,212)
Total segment revenue	11,499,005	15,795,112	27,230,905
Other revenue	20,159	10,092	30,251
Corporate	-	-	-
Total other revenue	20,159	10,092	30,251
Total revenue	**11,519,164**	**15,805,204**	**27,261,156**
Reconciliation of segment result to group net profit/(loss) before tax			
Segment net profit/(loss) before tax	(856,369)	452,184	(404,185)
Corporate			(954,019)
Inter-segment elimination			(1,070,203)
Net profit/(loss) before tax	(856,369)	452,184	(2,428,407)
Income tax expense	-	(147,427)	(147,427)
Total profit/(loss) after tax	**(856,369)**	**304,757**	**(2,575,834)**
Finance costs	14,430	139,202	153,632
Corporate			395,810
Inter-segment elimination			(64,937)
Total finance costs	**14,430**	**139,202**	**484,505**
Depreciation and amortisation expense	260,470	825,701	1,086,171
Corporate			82,193
Total depreciation and amortisation expense	**260,470**	**825,701**	**1,168,364**
30 June 2013			
Revenue			
Sales Revenue	11,720,000	14,975,358	26,695,358
Inter-segment sales	-	-	(51,184)
Total segment revenue	11,720,000	14,975,358	26,644,174
Other revenue	53,700	99,725	153,425
Corporate			5,530,158
Total other revenue	53,700	99,725	5,683,583
Total revenue	**11,773,700**	**15,075,083**	**32,327,757**
Reconciliation of segment result to group net profit/(loss) before tax			
Segment net profit/(loss) before tax	(670,300)	(34,701)	(705,001)
Corporate			5,424,300
Inter-segment elimination			87,523
Net profit/(loss) before tax	(670,300)	(34,701)	4,806,822
Income tax expense	-	(167,070)	(167,070)
Total profit/(loss) after tax	**(670,300)**	**(201,771)**	**4,639,752**
Finance costs	275,842	258,351	534,193
Corporate			(6,536)
Inter-segment elimination			(3,073)
Total finance costs	**275,842**	**258,351**	**524,584**
Depreciation and amortisation expense	209,526	770,870	980,396
Corporate			53,996
Total depreciation and amortisation expense	**209,526**	**770,870**	**1,034,392**

Note 26 Operating Segments (continued)

	Consumer Products $	Scaffolding $	Total $
(ii) **Segment assets**			
30 June 2014			
Segment assets	6,134,183	12,156,653	18,290,836
Corporate			2,984,755
Intersegment eliminations			(3,365,570)
Total group assets	**6,134,183**	**12,156,653**	**17,910,021**
Included in segment assets are:			
— Equity accounted associates and joint ventures	-	-	-
30 June 2013			
Segment assets	6,757,001	12,928,854	19,685,855
Corporate			4,013,820
Intersegment eliminations			(4,632,647)
Total group assets	**6,757,001**	**12,928,854**	**19,067,028**
Included in segment assets are:			
— Equity accounted associates and joint ventures	875,027	-	875,027
(iii) **Segment liabilities**			
30 June 2014			
Segment liabilities	1,753,823	1,303,643	3,057,466
Corporate			7,619,218
Intersegment eliminations			1,190,982
Total group liabilities	**1,753,823**	**1,303,643**	**11,867,666**
30 June 2013			
Segment liabilities	1,932,328	1,474,258	3,406,586
Corporate			7,386,978
Intersegment eliminations			639,049
Total group liabilities	**1,932,328**	**1,474,258**	**11,432,613**

(iv) **Revenue by geographical region**

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:

	Consumer Products $	Scaffolding $	Total $
30 June 2014			
Domestic	10,086,984	14,817,151	24,904,135
International	1,432,180	988,053	2,420,233
Inter-segment elimination			(63,212)
Total revenue	**11,519,164**	**15,805,204**	**27,261,156**
30 June 2013			
Domestic	10,449,916	14,340,318	24,790,234
International	1,323,784	734,765	2,058,549
Corporate			5,530,158
Inter-segment elimination			(51,184)
Total revenue	**11,773,700**	**15,075,083**	**32,327,757**

(v) **Non-current assets by geographical region**

The location of non-current segment assets by geographical location of the assets is disclosed below:

	Consolidated Group	
	2014 $	2013 $
Domestic	8,448,458	9,288,238
International	111,230	1,017,593
Total Assets	8,559,688	10,305,831

Note 27 Cash Flow Information

	Consolidated Group 2014 $	Consolidated Group 2013 $
(a) Reconciliation of cash flow from operating activities with profit after income tax		
Profit after income tax	(2,575,834)	4,639,752
Non-cash flows in profit		
Depreciation and amortisation	1,168,364	1,034,388
Accrued interest charges	26,646	105,463
Non-cash acquisitions of property, plant and equipment	(19,227)	(34,777)
Net (gain)/loss on disposal of property, plant and equipment	(40,434)	53,607
Realisation of foreign exchange movements on disposal of investments in associated companies	1,445,360	-
Net loss on disposal of investments in associate companies	(81,979)	(23,410)
Non-cash proceeds on disposal of investments in associated companies	823,379	391,820
Unrealised exchange gains/losses	48,653	(29,153)
Unwinding of discount on deferred senior loan note	97,138	46,325
Revaluation of deferred senior loan note to fair value through profit or loss	204,555	97,553
Debt buy-back	-	(5,500,000)
Restructure of trade finance facility to borrowings	-	1,011,778
Non-cash dividend received from associated companies	-	19,508
Share of associated companies' net profit after income tax and dividends	(108,953)	(2,057)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Decrease in trade and term receivables	317,561	210,462
(Increase)/decrease in prepayments and other current assets	(380,225)	202,567
(Increase)/decrease in inventories	(763,795)	265,697
Increase/(decrease) in trade payables and accruals	409,486	(1,339,244)
Decrease in income taxes payable	(48,953)	(31,205)
Increase in deferred taxes payable	33,126	53,131
Increase/(decrease) in provisions	101,060	(107,958)
Cash flow from operating activities	655,928	1,064,247

(b) **Non-cash financing and investing activities**

(i) Disposal of investment in associated companies
On 10 March 2014, the Group disposed of it's interest in the associated companies PT Ace Oldfields, Enduring Enterprises and Honeytree and Partners. Consideration received in relation to this sale was $827,932 and will be received in the form of a write back of the trade payable balance owing to the associated companies over an approximate 12 month period. The loss on the disposal of these investments was $1,363,381 which includes the realisation of foreign currency translation movements of $1,445,360.

(ii) Prior year reduction of investment in associated companies
On 17 October 2012, the group reduced it's interest in associated companies, being PT Ace Oldfields, Enduring Enterprises and Honeytree and Partners. This resulted in a decrease in the ownership of the investments from 49% to 34%. Consideration received in relation to this sale was $391,820 and was received in the form of an offset of the trade payable balance owing to the associated companies at the time the transaction occurred. The gain on disposal of these shares was $23,410.

(iii) In February 2013, the trade finance facility of $1,011,778 was converted to core debt as part of the renewed facility agreement with the Group's bankers on 21 December 2012.

Note 28 Events After the Reporting Period

There have been no significant events occurring since 30 June 2014.

Note 29 Related Party Transactions

Related Parties

(a) **The Group's main related parties are as follows:**

i. **Entities exercising control over the Group:**

The ultimate parent entity that exercises control over the group is Oldfields Holdings Limited, which is incorporated in Australia.

ii. **Key Management Personnel:**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 6.

iii. **Entities subject to significant influence by the Group:**

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

For details of interests held in associated companies, refer to Note 14.

iv. **Other Related Parties**

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

(b) **Transactions with related parties:**

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

		Consolidated Group	
		2014	2013
		$	$
	The following transactions occurred with related parties:		
i.	**Associated companies**		
	Purchases of paint application products by Oldfields Pty Ltd from Enduring Enterprises	1,187,290	1,070,569
	Interest paid to Enduring Enterprises	-	5,685
	Dividends received from Honeytree & Partners	-	19,508
ii.	**Other related parties**		
	Interest paid to Sibley Investments Pty Ltd, being the holder of a minority interest in Adelaide Scaffold Solutions Pty Ltd	19,663	27,240
	Dividends paid to Sibley Investments Pty Ltd, being the holder of a minority interest in Adelaide Scaffold Solutions Pty Ltd	148,512	148,512
iii.	***Loans from other related parties***		
	Loan payable to Sibley Investments Pty Ltd, being the holder of a minority interest in Adelaide Scaffold Solutions Pty Ltd		
	Beginning of the year	143,750	174,750
	Loan repayment received	(75,000)	(31,000)
	End of the year	68,750	143,750
	Sibley Investments Pty Ltd have agreed that the balance of the loan will not be called in over the next 12 months.		
	Loan payable to Timms & Timms Superannuation Fund, being a related party of William Lewis Timms (non-executive director)		
	Beginning of the year	-	153,582
	Loan repayment received	-	(160,992)
	Interest charged	-	7,410
	End of the year	-	-
	Loan payable to Timms Realty, being a related party of William Lewis Timms (non-executive director)		
	Beginning of the year	-	-
	Loans advanced	200,000	-
	Loan repayment received	(202,172)	-
	Interest charged	2,172	-
	End of the year	-	-

Note 30 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties, bills, leases, and derivatives.

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	
		2014	2013
	Note	$	$
Financial Assets			
Cash and cash equivalents	10	373,252	677,404
Loans and receivables	11,13	3,777,899	3,707,036
Total Financial Assets		4,151,151	4,384,440
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	18	2,926,131	2,437,649
— Borrowings	19	5,848,389	6,259,591
Financial liabilities at fair value through profit or loss			
— derivative instruments	22	1,922,536	1,710,232
Total Financial Liabilities		10,697,056	10,407,472

Financial risk management policies

The Board of Directors are responsible for managing financial risk policies and exposures of the Group. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. This includes the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

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. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(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 invoice date.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries.

Collateral held by the Group securing receivables is detailed in Note 11(c).

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.

(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 analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile; and
- managing credit risk related to financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. The bank does however maintain the right to review the facilities annually with the next annual review date being August 2015.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ 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.

Note 30 Financial Risk Management (continued)

Financial liability and financial asset maturity analysis

	Within 1 Year		**1 to 5 years**		**Over 5 years**		**Total**	
	2014	2013	2014	2013	2014	2013	2014	2013
Consolidated Group	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Bank overdrafts and loans	736,232	999,934	3,688,302	3,775,152	2,370,224	2,370,224	6,794,758	7,145,310
Derivative element of DSLN	-	-	-	-	1,909,183	1,704,628	1,909,183	1,704,628
Trade and other payables	2,926,131	2,437,649	-	-	-	-	2,926,131	2,437,649
Amounts payable to related parties	12,375	25,875	81,125	169,625		-	93,500	195,500
Finance lease liabilities	268,206	300,749	233,937	304,048	-	-	502,143	604,797
Forward exchange contracts	13,353	5,604	-	-	-	-	13,353	5,604
Total contractual outflows	3,956,297	3,769,811	4,003,364	4,248,825	4,279,407	4,074,852	12,239,068	12,093,488
Less bank overdrafts	(620,432)	(855,184)	-	-	-	-	(620,432)	(855,184)
Total expected outflows	3,335,865	2,914,627	4,003,364	4,248,825	4,279,407	4,074,852	11,618,636	11,238,304
Financial Assets - cash flows realisable								
Cash and cash equivalents	373,252	677,404	-	-	-	-	373,252	677,404
Trade and other receivables	3,777,899	3,707,036	-	-	-	-	3,777,899	3,707,036
Total anticipated inflows	4,151,151	4,384,440	-	-	-	-	4,151,151	4,384,440
Net (outflow) / inflow on financial instruments	**815,286**	**1,469,813**	**(4,003,364)**	**(4,248,825)**	**(4,279,407)**	**(4,074,852)**	**(7,467,485)**	**(6,853,864)**

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. Refer to Note 19(c) for further details.

In the above table, the derivative element of the DSLN has been shown at face value due to significant uncertainty regarding the capital appreciation, interest and dividend-triggered entitlement, as disclosed in note 19, within the terms and conditions of the instrument without consideration for future cash outflows of interest.

(c) **Market risk**

i. **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.

ii. **Foreign exchange risk**

The board and senior management regularly monitor foreign currency movements and has undertaken to use hedging contracts where appropriate to the value of up to 100% of its US dollar requirements over a maximum 6 week period.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period 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 2014	$	$
+/- 2% in interest rates	93,469	93,469
+/- 5% in $A/$US	298,992	298,992
Year ended 30 June 2013		
+/- 2% in interest rates	114,649	114,649
+/- 5% in $A/$US	278,897	278,897

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Note 30 Financial Risk Management (continued)

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 amounts as presented in the statement of financial position. Refer to Note 31 for detailed disclosures regarding the fair value measurement of the group's financial assets and financial liabilities.

Differences between fair values and carrying amounts 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 (ie term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

Differences between fair values and carrying amounts 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 (ie term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated have little relevance to the Group.

	Note	2014		2013	
Consolidated Group		Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Financial assets					
Cash and cash equivalents	10	373,252	373,252	677,404	677,404
Trade and other receivables					
- non-related parties - trade and other receivables	11	3,304,666	3,304,666	3,707,036	3,707,036
Total trade and other receivables		3,304,666	3,304,666	3,707,036	3,707,036
Investments in associated entities	14	-	-	875,027	875,027
Total financial assets		3,677,918	3,677,918	5,259,467	5,259,467
Financial liabilities					
Trade and other payables	18	2,926,131	2,926,131	2,437,649	2,437,649
Hire purchase liabilities	24	448,494	448,494	531,282	531,282
Derivative liabilities					
- Forward exchange contracts	22	13,353	13,353	5,604	5,604
- Derivative element of DSLN	22	1,909,183	1,909,183	1,704,628	1,704,628
Other related parties	19	68,750	68,750	143,750	143,750
Bank overdraft	19	620,432	620,432	855,184	855,184
Bank loans	19	3,804,102	3,804,102	3,919,902	3,919,902
Debt element of DSLN	19	906,611	906,611	809,473	809,473
Total financial liabilities		10,697,056	10,697,056	10,407,472	10,407,472

Note 31 Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:
— derivative financial instruments;

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) **Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Note 31 Fair Value Measurements (continued)

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

		30 June 2014			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements	**Note**	$	$	$	$
Liabilities					
Derivatives:					
— Forward exchange contracts	22	-	13,353	-	13,353
— Derivative element of DSLN	22	-	1,909,183	-	1,909,183
Total liabilities recognised at fair value		-	1,922,536	-	1,922,536

		30 June 2013			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements	**Note**	$	$	$	$
Liabilities					
Derivatives:					
— Forward exchange contracts	22	-	5,604	-	5,604
— Derivative element of DSLN	22	-	1,704,628	-	1,704,628
Total liabilities recognised at fair value		-	1,710,232	-	1,710,232

There were no transfers between levels for assets or liabilities measured at fair value on a recurring basis during the reporting period (2013: no transfers).

(b) **Valuation techniques and inputs used to measure Level 2 fair values**

The forward exchange derivative liability of $13,353 (2013: 5,604) has been valued using Level 2 inputs by reference to quoted market prices in active markets.

The derivative element of the DSLN of $1,909,183 (2013: 1,704,628) has been valued using Level 2 inputs which are included in the terms and conditions of this instrument. The main terms of the loan note are as follows:

- The DSLN is secured against assets of the Group;
- Interest will be capitalised and paid either on termination or early payment;
- If the DSLN is repaid or partially repaid within the first 5 years, it will attract interest at 12% p.a;
- If the DSLN is repaid or partially repaid after the first 5 years, the amount of interest paid will be dependent upon the share price of the Group, but capped at 12% p.a;
- In the event that the weighted average share price of the company is the same or below the issue price of the capital raised at the time of the repayment after the first 5 years, the only payment due will be the original debt;
- The DSLN noteholder will also be entitled to receive a payment to the equivalent value of any dividend payment made by the Group;
- Entitlement to a dividend-triggered payment will be based on the face value of the DSLN divided by the issue price upon commencement of the facility agreement; and
- Other normal conditions apply in respect to meeting gearing and interest cover ratios.

Accordingly, the DSLN has been identified as containing two main components: the core debt and a derivative element capturing the capital appreciation payment, interest and dividend-triggered entitlement. The core debt has been discounted by 12% to net present value over the expected term of the DSLN (being 10 years) and is included in non-current borrowings. The assessed value of the derivative takes into account the expected cashflows incorporating the term (10 years) and discount rate 12%.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

Due to their short-term natures, the carrying amounts of current receivables, current trade and other payables and current interest bearing liabilities is assumed to approximate their fair value.

Note 32 Reserves

a. **Foreign currency translation reserve**
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

b. **Cash flow hedge reserve**
The cash flow hedge reserve records revaluations of items designated as cash flow hedges.

Analysis of items of other comprehensive income by each class of reserve

		Consolidated Group	
		2014	2013
	Note	$	$
Foreign currency translation reserve			
Exchange differences on translation of foreign operations	5c	(235,324)	(34,164)
Movement in foreign currency translation reserve		(235,324)	(34,164)
Cash flow hedge reserve			
Foreign exchange contracts			
— Revaluations to fair value - effective portion		(7,749)	(3,562)
Movement in hedge reserve		(7,749)	(3,562)
Other comprehensive income for the year attributable to members of the parent entity		(243,073)	(37,726)
Non-controlling interests		-	-
Total		(243,073)	(37,726)

Note 33 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

In accordance with a resolution of the directors of Oldfields Holdings Limited, the directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the consolidated group;

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

3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Oldfields Holdings Limited and its Australian wholly-owned entities have entered into a deed of cross guarantee under which the company and it's subsidiaries guarantee the debts of each other.

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.

Director

Tony Joseph Grima

Dated this 29-August-2014

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 consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 control relevant to the company's preparation of the financial report that gives a true and fair view 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 company'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Oldfields Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a loss after tax of $2,575,834 for the year ended 30 June 2014 and breached a loan covenant. These conditions, along with other matters as set forth in Note 1, give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern, and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the year ended 30 June 2014. 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.

Opinion

In our opinion, the Remuneration Report of Oldfields Holdings Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Paul Bull

Partner

Sydney, 29 August 2014

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

The following information is current as at 30 June 2014:

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	Number Ordinary	Number Redeemable
1 – 1,000	66	Nil
1,001 – 5,000	78	Nil
5,001 – 10,000	27	Nil
10,001 – 100,000	80	Nil
100,001 – and over	45	Nil
	296	Nil

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 are:

Shareholder	Number Ordinary	Number Preference
Randell Management Services	39,384,528	Nil
Lymgrange Pty Limited/Chris Hext	4,449,369	Nil
Dixson Trust Pty Limited	4,000,000	Nil
Mr Rodney Boyce Hass/Copy That Pty Ltd	3,676,207	Nil
Starball Pty Ltd/Man Invest/Chiara Mankarios	3,395,484	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	39,384,528	47.93%
2.	Lymgrange Pty Limited/Chris Hext	4,449,369	5.41%
3.	Dixson Trust Pty Limited	4,000,000	4.87%
4.	Mr Rodney Boyce Hass/Copy That Pty Ltd	3,676,207	4.47%
5.	Starball Pty Ltd/Man Invest/Chiara Mankarios	3,395,484	4.13%
6.	Ufba Pty Ltd	2,948,000	3.59%
7.	Benger Superannuation Pty/Brian Benger	2,405,269	2.93%
8.	Mr Brian Garfield Benger/Shandora	1,950,614	2.37%
9.	Luton Pty Ltd	1,579,887	1.92%
10.	Dr Gordon Bradley Elkington	1,527,108	1.86%
11.	Mr Warwick Every-Burns & Mrs Kathryn Every-Burns	1,500,000	1.83%
12.	Myall Resources Pty Ltd	1,450,000	1.76%
13.	Oceanridge Limited	1,350,000	1.64%
14.	Mr Paul John Simpson	1,200,000	1.46%
15.	Mr Christopher Michael Giles	1,160,000	1.41%
16.	Locope Pty Ltd	690,000	0.84%
17.	Nejeka Pty Ltd	573,962	0.70%
18.	The Genuine Snake Oil Company	527,560	0.64%
19.	Mr Mark Sheffield Hancock & Brig Ian Denis Westwood	500,000	0.61%
20.	Sanperez Pty Ltd	500,000	0.61%
		74,767,988	90.98%

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

2. The name of the company secretary is Gregory John Park.

3. The address of the principal registered office in Australia is 8 Farrow Road, Campbelltown, NSW, 2560.
Telephone (02) 4627 0777.

4. Registers of securities are held at the following addresses
Boardroom Pty Ltd 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 Securities Exchange Limited.

6. **Unquoted Securities**
There are no unquoted or unissued securities as at 30 June 2014.

CORPORATE GOVERNANCE STATEMENT

The board of directors of Oldfields Holdings Limited is committed to high standards of corporate governance and adopts wherever possible the principles outlined in the Corporate Governance Principles and Best Practice Recommendations with 2010 amendments, published by the ASX Corporate Governance Council.

The recommendations are written in a principles based fashion and individual boards are able to choose whether to follow the recommended practices or to adopt other practices that are better suited to the individual circumstances of the Group. Given the size and specific circumstances of Oldfields Holdings Limited the Board recognises that some of the best practice recommendations are not suited to obtaining the best shareholder outcomes at the present time. This situation is monitored by the Board and the recommendations will be adopted as and when the Group's circumstances allow.

All relevant best practice recommendations of the ASX Corporate Governance Council have been applied for the financial year ended 30 June 2013 unless specifically disclosed below. Where a recommended practice has not been followed a detailed description of the practices adopted in its stead is provided together with a commentary on how the risks of non-adoption of the recommended practice are mitigated.

Recommendation	**Recommended Practice**	**Oldfields' Practice**
Recommendation 1.1	Establish functions reserved for the board and for senior management.	The recommended practice is adopted.
Recommendation 1.2	Disclose the process for evaluation of senior executives.	The recommended practice is adopted.
Recommendation 1.3	Provide information indicated in the Guide.	The indicated information is provided.
Recommendation 2.1	Majority of the board should be independent directors.	The majority of the Board is not independent and the risk management process is disclosed.
Recommendation 2.2	The chairman should be an independent director.	The chairman is not an independent director.
Recommendation 2.3	The chairman and the CEO should not be the same person.	The recommended practice is adopted.
Recommendation 2.4	The board should establish a nominations Committee.	Nominations are considered by the whole board.
Recommendation 2.5	Disclose the process for evaluation of the performance of the Board, its committees and individual directors.	The process is disclosed. No formal evaluation was undertaken in the reporting period.
Recommendation 2.6	Provide information indicated in the Guide.	The indicated information is provided.
Recommendation 3.1	Establish and disclose a code of conduct.	The recommended practice is adopted.
Recommendation 3.2	Establish a diversity policy.	The recommended practice is adopted.
Recommendation 3.3	Adopt measurable diversity targets.	The recommended practice is adopted.
Recommendation 3.4	Report on the proportion of women.	The recommended practice is adopted.
Recommendation 3.5	Provide information indicated in the guide.	The recommended practice is adopted.
Recommendation 4.1	The board should establish an audit committee.	The recommended practice is adopted.
Recommendation 4.2	The audit committee should be structured to: • consist only of non-executive directors; • consist of a majority of independent directors; • be chaired by an independent chair, who is not chair of the board; and • have at least three members.	The committee has only two members, one of whom is not independent. The committee consists only of non-executive directors and is chaired by an independent chair, who is not chair of the board.
Recommendation 4.3	The audit committee should have a formal charter.	The recommended practice is adopted.
Recommendation 4.4	Provide the information indicated in the guide.	The information is disclosed.
Recommendation 5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The recommended practice is adopted. The policy is disclosed.

CORPORATE GOVERNANCE STATEMENT

Recommendation	Recommended Practice	Oldfields' Practice
Recommendation 5.2	Provide the information indicated in the guide.	The information is provided.
Recommendation 6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The recommended practice is adopted. The policy is disclosed.
Recommendation 6.2	Provide the information indicated in the guide.	The recommended practice is adopted.
Recommendation 7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The recommended practice is adopted. The Risk Management Statement is disclosed.
Recommendation 7.2	The board should require management to design and implement the risk management and internal control system to manage the Group's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Group's management of its material business risks.	The recommended practice is adopted.
Recommendation 7.3	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The recommended practice is adopted.
Recommendation 7.4	Provide the information indicated in the guide.	The indicated information is provided.
Recommendation 8.1	The board should establish a remuneration committee.	The recommended practice is adopted.
Recommendation 8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	The committee does not have a majority of independent directors, is chaired by the an independent chair and has only two members.
Recommendation 8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The recommended practice is adopted.
Recommendation 8.4	Provide the information indicated in the guide.	The indicated information is provided.

Up-to-date information is available on the Group's website which contains a clearly marked corporate governance section.

CORPORATE GOVERNANCE STATEMENT

Principle 1. LAY SOLID FOUNDATIONS FOR MANAGEMENT & OVERSIGHT

Recommendation 1.1 – Establish functions reserved for the board and for senior management and disclose those functions.

The board of directors are accountable to the shareholders for the performance of the Group. The board sets the strategic direction and delegate's responsibility for the management of the Group to the chief executive officer.

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

Each board member must, at all times, act honestly, fairly and diligently in all respects in accordance with the Group's Code of Conduct and all laws that apply to the Group.

Key matters reserved for the board include:

- Oversight of the Group, including its control, accountability and compliance systems;
- Appointment, monitoring, managing performance 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 Group and its operations is delegated to senior executive management. The expectations of senior executive management are outlined in Board decisions which are communicated to the chief executive officer and recorded in the board minutes and also in the position descriptions and KPI's for each senior executive role.

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 executive management are evaluated each year on their performance against stated objectives, goals and key performance indicators (KPI's).

Overall performance is reviewed by the particular senior executive's direct supervisor and ultimately by the chief executive officer and/or board of directors.

Recommendation 1.3 – Provide information indicated in the Guide to reporting on Principle 1.

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

Principle 2. STRUCTURE THE BOARD TO ADD VALUE

The board currently has three directors, comprising two non-executive directors, including the chairman, and one executive director.

The board has adopted the following principles:

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

Recommendation 2.1 – 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 Group or an officer of, or otherwise associated directly with, a substantial shareholder of the Group;
- Has not within the last three years been employed in an executive capacity by the Group or another group member, and there has 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 Group or another group member, or an employee materially associated with the service provided; and
- Is not a material supplier or customer of the Group or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

At the date of this report there were no independent directors.

The following directors do not meet the independence criteria listed above:

- William Lewis Timms: appointed 18th December 2009, currently a non-executive director and substantial shareholder;
- Christopher Giles: resigned 30 April 2014, previously an executive director and shareholder;
- Tony Joseph Grima: appointed 14 October 2013, currently an executive director and shareholder; and
- Stephen Charles Hooper: appointed 23 May 2013, currently a non-executive director and shareholder.

The board manages the risk of having a majority of non-independent directors through restrictions on trading in shares, restrictions on related party transactions, a close relationship with the principal provider of debt funding and a strong independent auditor with a focus on controls.

Recommendation 2.2 – The chair should be an independent director.

The current chairman, William Lewis Timms is not an independent director.

Recommendation 2.3 – The chairman 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 Group, 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 has undergone a significant change in composition during the reporting period and has not completed a formal evaluation process within that period. The chairman performs an informal evaluation of individual directors and also of each board meeting.

During the course of the year the following meetings were held and attended:

Director	**Eligible to Attend**	**Meetings Attended**
Tony Joseph Grima	9	9
Christopher Michael Giles	9	9
William Lewis Timms	11	11
Stephen Charles Hooper	11	11

Information is supplied to the board in advance of the scheduled board meetings so that each director may make independent assessment of the data and the Board as a whole may 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 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 Group which may affect independence are stated in Recommendation 2.1;
- The Group 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 Group's auditors, financial and legal advisors on any matter relating to the performance of the Group or the Board;
- 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 chairman. If the chairman is unable or unwilling to give approval, then board approval will be sufficient. Any costs incurred will be borne by the Group;
- 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; and
- Any departures from recommendations relating to Principal 2 have been disclosed in the discussion of the relevant recommendation.

Principle 3. PROMOTE ETHICAL AND RESPONSIBLE DECISION – MAKING

Recommendation 3.1 – Establish and disclose a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The board has a code of conduct for directors and Group 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 behavior.

Recommendation 3.2 – Establish a Diversity Policy and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

During the year, the board adopted a diversity policy. The policy includes requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

Recommendation 3.3 –Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

The current objectives for achieving gender diversity are as follows:

Measurable Objectives	**Progress**
All job advertisements to specify that Oldfields is an equal opportunity employer and welcomes applications irrespective of the applicants' gender, race, etc.	During the review process for June 2013, it was identified that not all advertisements specified that Oldfields is an equal opportunity employer. It is the Groups intention that all future advertisements will now clearly state that we are an equal opportunity employer.
All shortlists for employment positions in the top three levels of management and for board positions to include at least one female applicant, where possible.	Where possible, shortlisted applicants that have been put forward, included at least one female applicant.
All shortlisted applicants to be interviewed by a female as well as a male staff member prior to a final decision on employment, where possible.	The review process identified that applicants are interviewed by a female and male staff member.
Develop online diversity training module (including discrimination, bullying and harassment) for all employees by June 14.	All staff currently trained through induction face to face and paper based training.

Recommendation 3.4 –Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

The current proportion of women as at 30 June 2014 is:

Non-manager occupational categories	**Full-time permanent**			**Full-time contract**			**Part-time permanent**			**Part-time contract**			**Casual**		
	F	**M**	**% female**	**F**	**M**	**% female**	**F**	**M**	**% female**	**F**	**M**	**% female**	**F**	**M**	**% female**
Professionals	4	0	100%	1	0	100%	2	0	100%	0	0	0%	0	0	0%
Technicians and trade	0	3	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Community and personal service	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Clerical and administrative	6	9	40%	0	0	0%	1	0	100%	0	0	0%	2	0	100%
Sales	1	14	7%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Machinery operators and drivers	1	5	17%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Labourers	6	17	26%	0	0	0%	1	1	50%	0	0	0%	4	17	19%
Other	0	8	0%	0	0	0%	0	0	0%	0	0	0%	0	12	0%
CEO/Head of Business in Australia	0	1	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Other Executives/ General managers	0	5	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Senior managers	3	5	38%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Other managers	2	9	18%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Total	**23**	**76**	**23%**	**1**	**0**	**100%**	**4**	**1**	**80%**	**0**	**0**	**0%**	**6**	**29**	**17%**

Recommendation 3.5 - Provide information recommended in the Guide on Principal 3.

A copy of the Code of Conduct can be obtained from the Corporate Governance section of the Group's website.
A copy of the Diversity Policy can be obtained from the Corporate Governance section of the Oldfields website.
A copy of the Workplace Gender Equality report can be obtained from the Corporate Governance section of the Oldfields website.
The proportion of women within the company is disclosed.

Principle 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 Group's financial reports present a true and fair view, in all material respects, of the Group's financial position 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 Group's website; and
- 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 – The audit committee should be structured so that it consists only of non-executive directors, consists of a majority of independent directors, is chaired by an independent chair, who is not chair of the board, and has at least three members.

The audit committee:

- consists only of non-executive directors, however all directors are entitled to receive the papers of the committee and to attend meetings of the committee and to meet with the auditors;
- is chaired by an independent chairman, who is not chair of the board;
- has two members. Given the size and structure of the board, as discussed in Recommendation 2.1, the board feels that two members both of whom are financially literate, is sufficient at this time.

The risk with a small committee is that the members will lack the diversity to raise and recognise issues. Risk is managed through specific working arrangements with the auditors having access to the full board at any time upon their request and through ensuring that the chairman of the audit committee is a well-qualified independent director. It is intended to review this arrangement and adopt the recommended practice if and when the board composition changes.

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. The committee also meets in private, with management without the external auditor and, at a separate time, with the external auditor without management.

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

The members of the audit committee are:
- Stephen Charles Hooper; and
- William Lewis Timms (Chairman).

The details of the qualifications of the audit committee members are disclosed in the Directors' Report.

The details of the number of audit committee meetings held are contained in the Directors' Report.

Departures from recommendations included in Principle 4 have been disclosed in the discussion of the relevant recommendations.

Principle 5. THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – Establish policy on ASX Listing Rule disclosure requirements and ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Group has established procedures to ensure compliance with ASX Listing Rules which require 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 Group's website.

Recommendation 5.2 - Provide information recommended in the Guide on Principal 5.

The information is provided above.

Principle 6. RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 – Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Group has developed and implemented a shareholder communication strategy. The Group promotes effective communication with shareholders and encourages effective participation at the Group's general meetings.

Shareholders and other parties will be able to access the following information from the Group'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; and
- Details of notices of shareholders meetings including information on general meetings.

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

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

The Shareholder Communication Strategy is available on the Oldfields website.

Principle 7. RECOGNISE AND MANAGE RISK

Recommendation 7.1 – Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

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

A Work Health and Safety Committee has been established to monitor and recommend changes to safe working practices and a safe working environment. The chairman 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 Group'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.

A summary of these policies is contained in the Risk Management Statement which is disclosed on the Oldfields website.

Recommendation 7.2 – The board should require management to design and implement the risk management and internal control system to manage the Group's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Group's management of its material business risks.

The Group's risk management policy is designed and implemented by the board of directors' which 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 Group's risk management and internal compliance and control system is operating effectively and efficiently in all material aspects.

In March 2011, the board changed its formal reporting requirement such that each line of business and the corporate head office are required to disclose to the board at each regular meeting a statement regarding the level and nature of the key risks facing the business.

Recommendation 7.3 – The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Written declarations are provided each year by the CEO, CFO and company secretary to the board, stating that the Group's financial reports are based on a sound system of risk oversight and management and internal control. These statements are discussed by the board with the auditor.

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

- The board has received written declarations under Recommendation 7.2;
- The board has received written declarations under Recommendation 7.3;
- The Risk Management Policy is available on the Group website.

Principle 8. REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 – The board should establish a remuneration committee.

The board has established a remuneration committee. 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 Group; and
- Policies which show a clear relationship between senior executives' performance and remuneration.

Recommendation 8.2 – The remuneration committee should be structured so that it consists of a majority of independent directors, is chaired by an independent chair, and has at least three members.

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:

- consists of a majority of independent directors; and
- has at least three members.

The remuneration of non-executive directors is by way of director's 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 - Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

The Group has clearly differentiated the remuneration structure of executive and non-executive directors. The key elements of the remuneration philosophy are disclosed in the Remuneration Committee Charter which is available on the Oldfields website.

Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.

- The members of the remuneration committee and their attendance at meetings are disclosed in the Directors' Report;
- Non-executive directors are not provided with retirement benefits other than superannuation;
- A copy of the Remuneration Committee Charter can be obtained from the Group's web site; and
- Departures from recommendations included in Principle 8 have been disclosed in the discussion of the relevant recommendations.

RISK MANAGEMENT STATEMENT

1. Introduction

This statement provides an overview of the Group's risk management policies and internal compliance and control systems in accordance with Principle 7 of the ASX Principles of Good Corporate Governance.

2. Responsibility

The board of directors are responsible for oversight on a regular basis of the Group's procedures and risk management policies. The responsibility of the board is codified under the Board Charter, which is available on the Group's website. The Group also has an audit committee, the responsibilities of which are documented in the Audit Committee Charter which is also available on the Group's website.

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:

- Work health and safety;
- Finance and treasury;
- Human resources;
- Asset protection (insurance); and
- Codes of conduct.

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 Group is conducted annually. There is also a formal review at least once every year. Both the audit and review are conducted by an external auditor.

The Group has a Work Health and Safety Committee which has received training and certification by external OH&S providers.

The Group 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 Group.

In general an external qualified auditor and or valuers are engaged by the board in determining large asset values on acquisition of assets. An external valuation is obtained to determine and verify carrying values of investment property by an external independent registered property valuer at least every three years.

3.3. Risk Management Statements

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

Annually, the chief executive officer (CEO) and the chief financial officer (CFO) are required to sign a Risk Management Statement that is provided to the audit committee in writing.

The CEO and CFO sign a statement regarding the adequacy of financial controls in accordance with section 295a of the Corporations Act 2001.

The board requires management to report on the key business risks for each area of the business at each board meeting.

3.4 Internal Audit

Given the Group's size, an internal auditor is not practical. In addition, the presence of an executive director on the board allows for detailed oversight of risks within each business by managers who are familiar with the risk environment but not directly involved in the management of that particular business.

3.5 External Covenants

The Group has voluntarily associated itself with the following self-regulated authorities:

- WGE (Workplace Gender Equality Act): The Group reports annually on targets and policy to an external agency in regards to Equal Opportunity Guidelines and Policy within the work force. The board receives and reviews this annually; and
- Australian Packaging Covenant: The Group sets targets to reduce packaging waste and environmental impact of packaging waste. Targets are set and guidelines adopted and where possible administered by management. The board reviews these targets annually.

The Group has also entered into an agreement with its principal lender (Westpac Banking Corporation) which provides external overview of financial risks by a representative of the bank.

4. Formal Risk Management Practices

The Group operates a formal process for risk management which includes:

- Risk identification;
- Risk analysis;
- Risk evaluation;
- Risk mitigation;
- Risk monitoring and reporting; and
- Risk communication.

The risk management process meets appropriate professional standards and is reviewed annually by the board of directors. 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

Risks are reported and their monitoring and management are communicated in accordance with the diagram below:

Material Risks	General Reporting	Accountabilities
	Board of Directors	
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 (CEO)	
Implement risk response or escalate to board of directors	Review and approve risk reporting and mitigation strategies	Oversight of corporate risks and adequacy of framework
	Chief Financial Officer (CFO)	
Recommend material risk escalation to CEO or board of directors	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 the Group'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 to achieve the best outcome for the Group.

For the avoidance of doubt, Oldfields Holdings Limited has a policy of 'not shooting the messenger' and encourages all staff to report risks of which they are aware.