Oldfields Holdings Limited

57th Annual Report 2016

Year Ended 30 June 2016

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to herein as the "Group") consisting of Oldfields Holdings Limited (referred to hereafter as the "Company" or "Parent Entity") and its controlled entities for the financial year ended 30 June 2016.

Directors

The names and details of the Directors of Oldfields Holdings Limited during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Name:	**Tony Joseph Grima**
Title:	Executive Director and Chief Executive Officer
Qualifications:	Master of Commerce (Marketing)
Experience:	16 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
Other current directorships:	None
Former directorships in last 3 years:	None
Name:	**William Lewis Timms**
Title:	Non-executive Director and Chairman
Qualifications:	Bachelor of Business (Accounting and Audit), Real Estate and Business Agent
Experience:	29 years experience in accounting, taxation and audit, 22 years experience in commercial real estate and project management
Special responsibilities:	Member of the Audit Committee and Member of the Remuneration Committee
Interest in shares and options:	39,384,528 shares held
Other current directorships:	None
Former directorships in last 3 years:	Non-Executive Director of Buderim Ginger Limited (resigned 28 August 2016)
Name:	**Stephen Charles Hooper**
Title:	Non-executive Director
Qualifications:	Bachelor of Science
Experience:	22 years experience in senior executive roles in the fast moving consumer goods industry, with a focus on supply chain management
Special responsibilities:	Chairman of the Audit Committee and Member of the Remuneration Committee
Interest in shares and options:	50,000 shares held
Other current directorships:	None
Former directorships in last 3 years:	None

Company Secretary

Gregory John Park — Bachelor of Business, CA.

Gregory has been the Chief Financial Officer and Company Secretary since 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.

Principal Activities

The principal activities of the Group during the financial year were:

- manufacturing, importing and marketing of paint brushes, paint rollers, painter's tools and accessories;
- manufacturing and marketing garden sheds and outdoor storage systems;
- manufacturing and marketing of scaffolding and related equipment; and
- hire and erection of scaffolding and related products.

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

Review of Operations and Financial Results

Operating Results

Net operating loss for the Group after providing for income tax amounted to $722,000 (2015: Loss $1,102,000).

The following table summarises the key reconciling items between statutory earnings/(loss) before income tax attributable to the shareholders of the Group and EBITDA. Earnings before interest, tax, depreciation and amortisation ("EBITDA") is a financial measure which is not prescribed by Australian Accounting Standard ("AAS") and represents the profit under AAS adjusted for specific non cash and significant items. The Directors consider EBITDA to reflect the core earnings/(loss) of the Group.

	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000
Loss before income tax	**(370)**	(868)	(2,429)	(717)	(1,543)
Depreciation and amortisation expense	**1,434**	1,361	1,168	1,034	1,089
Interest expense	**377**	482	485	524	1,328
Foreign exchange (gains)/losses	**(37)**	(39)	(15)	(10)	(1)
Revaluation of deferred senior loan note	**257**	229	205	98	-
Loss on disposal of investment in associated companies	**-**	-	1,363	-	-
EBITDA	**1,661**	1,165	777	929	873

The Group's revenue from continuing operations for the financial year ended 30 June 2016 was $28,420,000 (2015: $27,380,000), which was an increase of +3.8% over prior year. The consumer division benefitted from a 'one-off' large inventory fill order with one of our larger customers and general growth in the paint specialist market was also very good. Our outdoor storage business continued to compete against very strong local competition and with cheaper Asian imports expanding into both local and export markets. Overall revenue increased within the scaffold division which was driven by the ongoing growth in the housing and construction industry. This trend is expected to continue in the next twelve months.

The Group’s net loss after tax was $722,000 (2015: Loss $1,102,000). This was an improvement of $380,000 despite the intense competition across all divisions and cost increases from suppliers. The Group’s gross profit decreased from 43.8% in 2015 to 40.3% in 2016 primarily because of the impact of the devaluation of the $AUD on imports and the limited ability to increase selling prices in the highly competitive markets. Despite these external preassures, the Group continues to drive down its cost base and has achieved a 42.6% increase in its consolidated EBITDA profit from $1,165K in 2015 to $1,661K in 2016.

Net cash provided by operating activities was $2,141,000 in 2016, compared to $1,477,000 in 2015. Improving operating cash flow continues to be a major focus for the Group with increased emphasis on improving revenue growth and margins in 2017.

Review of Operations

(i) Consumer Products - Paint Applications and Outdoor Storage Solutions

Revenue for the consumer division declined compared to the prior year by 1.8%. Paint equipment experienced an increase in revenue despite a major customer announcing in January 2016 its intention to divest from the home improvements sector which had an immediate impact on sales. The paint equipment growth was partially assisted by a large one-off sales order in the first half of the year. Revenue in the more traditional paint specialist market increased in 2016 reflecting our commitment and capitalising on our 100 years of experience in the paint specialist market where Oldfields works very hard to be best in class on service and adding value to our customers. We have also continued to make investments in improving the in-store presence in key national hardware retailers. 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. These initiatives will continue in 2017 and are expected to support future growth of the business.

Outdoor storage sales have continue to decline again in 2016. The cost of producing our high quality products within Australia makes profitable growth opportunities difficult to identify. The market is highly competitive and there continues to be the expansion of imported Asian products which are significantly cheaper.

During 2016 improvements have also been made to ensure that our supply chain is efficient, customer expectations are met, lead times continue to improve and inventory controls are enhanced in order to satisfy demand. The division continues to focus on innovation, and its vision of being the brand of choice in the market, provide best in class customer service and improving internal business processes. Following recent staff appointments and restucturing the Directors believe the division is well positioned to face the challenges within the DIY retail environment as well as being able to captitalise on growth opportunities with new and existing customers.

(ii) Scaffolding Division

The increase in building industry activity has supported growth in the scaffold division in 2016 as revenues increased by 7.3% compared to the previous year. Despite pressures on margins caused by competition and the impact of the declining Australian dollar, the scaffold division significantly improved its EBITDA in 2016 by improving labour utilisation on scaffolding services, the consolidation/relocation of it's branches and winning new profitable business. Management has establised measures to monitor the performance of its hire equipment fleet. The division will continue to expand its hire fleet strategically as well as to retire fleet items not providing a positive return.

The scaffold division consolidated and/or relocated the majority of its branches in 2015 to further reduce costs, improve efficiency levels and to be better positioned in areas of housing and construction growth. This strategy has clearly proven succesful to the division's performance. In addition, the newer premises have revitalised the division’s image encouraging growth and enhancing the brand recognition for the whole Group.

The manufacturing plant in China continued to operate strongly meeting customer demand and producing world class products. It remains well positioned to support the growth expectations of the division including a number of international opportunities currently being investigated.

Financial Position

The net assets of the group have decreased by $928,000 from $4,891,000 at 30 June 2015 to $3,963,000 at 30 June 2016. This decrease has largely resulted from a net loss from operations.

A key area of focus for 2017 will be to concentrate on profitable growth opportunities to improve the net asset position of the Group.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs during the financial year.

Dividends

Since the start of the financial year, no dividends have been paid or declared by Oldfields Holdings Limited.

Events after the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or could affect the operations of the Group in future years.

Future Developments, Prospects and Business Strategies

In January 2016 Woolworths Ltd announced that it would divest itself from its home improvement activities. As a result, the Company's 2017 sales budget has be adjusted accordingly and the division restuctured where possible to offset the impact. In August 2016 Woolworths Ltd announced that the Masters stores would cease trading, however their Home Timber & Hardware chain would be sold to Mitre 10 which is also a key Oldfields account. The consumer division has revised its product range and inventory levels to meet the change.

Capitalising on the expected upturn in the building and construction industry and the changing hardware retail market will continue to be the primary focus for the Group in 2017 with a concentration on creating 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 opportunities in these sectors.

Given the changes to the competitive landscape, the management team has revised its strategic plan and its focus over the next two years. 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 developed.

Our vision is that Oldfields is One Company focused on becoming market leaders by:

- Understanding and engaging with our customers to meet and exceed their goals,
- Inspiring our people to deliver strong profitable growth, innovation, quality products and servies, and
- Continuing to build on our brand foundations and Company values.

Oldfields Strategic Pillars:

- Listen, engage and develop ideas to grow our customer's business,
- Lead by listening, engaging, developing and recognising achievements, and
- Continuously improve, removing costs and improving processes not valued by our customers.

Each of these strategic pillars is supported by financial and operational measures to track the Group's progress and monitor success. The management team and the Directors are confident about the Group's future prospects and believe that these initiatives will continue to improve the Group's results in 2017 and beyond.

Environmental Regulation and Performance

The Group's operations are not subject to any particular or significant environmental regulation under the law of the Commonwealth or of a State or Territory in Australia. The Group 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.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follow:

	Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Tony Joseph Grima	14	14	-	-	-	-
William Lewis Timms	14	14	2	2	1	1
Stephen Charles Hooper	14	13	2	2	1	1

Remuneration Report (Audited)

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 entity'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 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 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 when required.
- 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 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 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 the highest calibre of 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 9.5% (2015: 9.5%) 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 a certain level of 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 the Group's 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.

Remuneration Report (continued)

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 Group.

Group Key Management Personnel	Position Held During and at 30 June 2016	Contract Details (Duration & Termination)
Tony Joseph Grima	Executive Director and Chief Executive Officer	Duration unspecified. Termination 3 months notice
William Lewis Timms	Non-executive Director	Duration & termination unspecified
Stephen Charles Hooper	Non-executive Director	Duration & termination unspecified
Gregory John Park	Company Secretary and Chief Financial Officer	Duration unspecified. Termination 3 months notice

The table below illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options by the KMP.

	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration not Related to Performance	
	Non-Salary Cash Base Incentives	Shares / Units	Options / Rights	Fixed Salary/Fee	Total
	%	%	%	%	%
Tony Joseph Grima	-	-	-	100	100
William Lewis Timms	-	-	-	100	100
Stephen Charles Hooper	-	-	-	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 accrued leave entitlements. In addition to the above, the Group is committed to pay the CEO and the CFO up to 6 months of base salary each in the event of a successful takeover offer and their positions are terminated or made effectively redundant.

Remuneration Expenses for KMP

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 Group. Such amounts have been calculated in accordance with Australian Accounting Standards:

	Short-Term Benefits			Post Employment Benefits	
	Cash Salary and Fees	Cash Bonuses & Incentives	Non-Monetary Benefits	Super-annuation	Total
	$	$	$	$	$
2016					
Tony Joseph Grima	**210,852**	**60,000**	**27,346**	**22,406**	**320,604**
William Lewis Timms	**60,000**	**-**	**-**	**5,700**	**65,700**
Stephen Charles Hooper	**47,592**	**-**	**-**	**4,521**	**52,113**
Gregory John Park	**172,260**	**30,000**	**-**	**18,265**	**220,525**
Total	**490,704**	**90,000**	**27,346**	**50,892**	**658,942**
2015					
Tony Joseph Grima	203,204	25,000	27,492	19,304	275,000
William Lewis Timms	60,000	-	-	5,700	65,700
Stephen Charles Hooper	45,872	-	-	4,358	50,230
Gregory John Park	164,760	20,000	-	15,652	200,412
Total	473,836	45,000	27,492	45,014	591,342

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.

Performance-Related Share-based Payments

There were no performance-related 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:

	Number at Beginning of Year	Granted as Remuneration During the Year	Issued on Exercise of Options During the Year	Other Changes During the Year	Number at End of Year
2016					
Tony Joseph Grima	**100,000**	-	-	-	**100,000**
William Lewis Timms	**39,384,528**	-	-	-	**39,384,528**
Stephen Charles Hooper	**50,000**	-	-	-	**50,000**
Gregory John Park	-	-	-	-	-
Total	**39,534,528**	-	-	-	**39,534,528**
2015					
Tony Joseph Grima	100,000	-	-		100,000
William Lewis Timms	39,384,528	-	-	-	39,384,528
Stephen Charles Hooper	-	-	-	50,000	50,000
Gregory John Park	-	-	-	-	-
Total	39,484,528	-	-	50,000	39,534,528

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.

(This concludes the Remuneration Report which has been audited)

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.

Options

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

Rounding

Oldfields Holdings Limited is a type of company referred to in ASIC Class Order 98/100 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000, or in certain cases, to the nearest dollar under the option permitted in the class order.

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:

	2016 $	2015 $
Taxation and other services	**13,200**	13,900

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporation Act 2001 is set out on the following page.

This Director's Report is signed in accordance with the resolution of the Board of Directors.

....

Tony Joseph Grima

Dated: 31-August-2016

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Australia

DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF OLDFIELDS HOLDINGS LIMITED

As lead auditor of Oldfields Holdings Limited for the year ended 30 June 2016, 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.

Ian Hooper
Partner

BDO East Coast Partnership

Sydney, 31 August 2016

FINANCIAL REPORT

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General Information

The financial report includes the consolidated financial statements for Oldfields Holdings Limited (the ultimate parent entity) and its controlled entities ("Oldfields" or the "Group"). The financial report is presented in Australian dollars, which is Oldfields Holdings Limited's functional and presentation currency.

The financial report consists of the financial statements , notes to the financial statements and the directors' declaration.

Oldfields Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is :
8 Farrow Road, Campbelltown, NSW, 2560, Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial report.
The financial report was authorised for issue with a resolution of directors on 31 August, 2016. The directors have the power to amend and reissue the financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Sales revenue	2	**28,420**	27,380
Cost of sales		**(16,982)**	(15,384)
Gross profit		**11,438**	11,996
Other income	2	**86**	7
Expenses:			
Other expenses from ordinary activities:			
Distribution expenses		**(6,547)**	(7,451)
Marketing expenses		**(394)**	(424)
Occupancy expenses		**(1,243)**	(1,305)
Administrative expenses		**(2,735)**	(2,839)
Finance costs	3	**(377)**	(482)
Revaluation of deferred senior loan note derivative component		**(257)**	(229)
Impairment costs	3	**(341)**	(141)
Loss before income tax		**(370)**	(868)
Tax expense	4	**(352)**	(234)
Net loss from continuing operations		**(722)**	(1,102)
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value gains on cash flow hedges (effective portion), net of tax		**(19)**	33
Exchange differences on translating foreign operations, net of tax		**(21)**	71
Other comprehensive income for the year, net of tax		**(40)**	104
Total comprehensive income for the year		**(762)**	(998)
Net loss for the year attributable to:			
Members of the parent entity		**(1,002)**	(1,372)
Non-controlling interest		**280**	270
Total net loss for the year		**(722)**	(1,102)
Comprehensive income attributable to:			
Members of the parent entity		**(1,042)**	(1,268)
Non-controlling interest		**280**	270
Total comprehensive income for the year		**(762)**	(998)

	Note	2016 Cents	2015 Cents
(Loss)/Earnings per share from continuing operation attributable to members of the parent entity:			
Basic (loss)/earnings per share	24	**(1.22)**	(1.67)
Diluted (loss)/earnings per share	24	**(1.22)**	(1.67)

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $'000	2015 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**1,317**	820
Trade and other receivables	6	**3,667**	3,850
Inventories	7	**3,858**	3,987
Derivative financial instruments	14	**-**	19
TOTAL CURRENT ASSETS		**8,842**	8,676
NON-CURRENT ASSETS			
Property, plant and equipment	8	**4,944**	6,516
Intangible assets	9	**881**	900
TOTAL NON-CURRENT ASSETS		**5,825**	7,416
TOTAL ASSETS		**14,667**	16,092
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**2,670**	2,728
Borrowings	11	**1,997**	1,863
Current tax liabilities	13	**151**	39
Employees benefit obligations	12	**728**	844
TOTAL CURRENT LIABILITIES		**5,546**	5,474
NON-CURRENT LIABILITIES			
Borrowings	11	**2,567**	3,431
Deferred tax liabilities	13	**122**	71
Employees benefit obligations	12	**74**	87
Derivative financial instruments	14	**2,395**	2,138
TOTAL NON-CURRENT LIABILITIES		**5,158**	5,727
TOTAL LIABILITIES		**10,704**	11,201
NET ASSETS		**3,963**	4,891
EQUITY			
Issued capital	25	**21,106**	21,106
Other reserves	26	**24**	64
Accumulated losses	27	**(17,837)**	(16,835)
Parent interest		**3,293**	4,335
Non-controlling interest	27	**670**	556
TOTAL EQUITY		**3,963**	4,891

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Issued Capital $'000	Other Reserves $'000	Retained Earnings $'000	Subtotal $'000	Non-Controlling Interests $'000	Total $'000
Year ended 30 June 2016							
Balance at 1 July 2015		**21,106**	**64**	**(16,835)**	**4,335**	**556**	**4,891**
Comprehensive income							
(Loss)/profit for the year		-	-	(1,002)	(1,002)	280	(722)
Other comprehensive income for the year	26	-	(40)	-	(40)	-	(40)
Total comprehensive income for the year		-	(40)	(1,002)	(1,042)	280	(762)
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	23	-	-	-	-	(166)	(166)
Total transactions with owners and other transfers		-	-	-	-	(166)	(166)
Balance at 30 June 2016		**21,106**	**24**	**(17,837)**	**3,293**	**670**	**3,963**
Year ended 30 June 2015							
Balance at 1 July 2014		21,106	(40)	(15,463)	5,603	439	6,042
Comprehensive income							
(Loss)/profit for the year		-	-	(1,372)	(1,372)	270	(1,102)
Other comprehensive income for the year	26	-	104	-	104	-	104
Total comprehensive income for the year		-	104	(1,372)	(1,268)	270	(998)
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	23	-	-	-	-	(153)	(153)
Total transactions with owners and other transfers		-	-	-	-	(153)	(153)
Balance at 30 June 2015		21,106	64	(16,835)	4,335	556	4,891

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**31,463**	28,278
Payments to suppliers and employees		**(28,964)**	(26,303)
		2,499	1,975
Other income received		**86**	9
Finance costs		**(255)**	(378)
Income tax paid		**(189)**	(129)
Net cash provided by operating activities	17	**2,141**	1,477
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**12**	237
Purchase of property, plant and equipment		**(638)**	(451)
Net cash used in investing activities		**(626)**	(214)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**188**	284
Repayment of borrowings		**(1,102)**	(1,054)
Loans from related parties			
- payments made		**(300)**	(275)
- proceeds from borrowings		**300**	206
Dividends paid by controlled entities to non-controlling interests	23	**(166)**	(153)
Net cash used in financing activities		**(1,080)**	(992)
Net increase (decrease) in cash and cash equivalents		**435**	271
Cash and cash equivalents at beginning of financial year		**24**	(247)
Cash and cash equivalents at end of financial year	5	**459**	24

The above statement should be read in conjunction with the accompanying notes.

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 31 August 2016 by the Directors of the Company.

Note 1 Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(aa).

Comparative figures
Comparative figures have been adjusted to conform to changes in classification and presentation for the current financial year.

Going Concern Basis

As disclosed in the consolidated financial statements, the Group generated a loss after tax of $722,000 for the year ended 30 June 2016 (2015: loss $1,102,000). 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 to improve profit over the next 12 months and continues implementing a strategic plan to achieve this objective;
- The Group generated a positive cash flow from operating activities of $2,141,000 during the year (2015: $1,477,000);
- The 2017 cash flow forecast suggests cash from operations will be positive and that bank facility covenants and debt 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.

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 assumed, including contingent liabilities, are recognised (subject to certain limited exemptions).

Note 1 Summary of Significant Accounting Policies (continued)

(a) Principles of Consolidation (continued)

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.

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 or revenue for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company’s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Note 1 Summary of Significant Accounting Policies (continued)

(c) Income Tax (continued)

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax Consolidation
Oldfields Holdings Limited and its wholly-owned subsidiaries have implemented the tax consolidation legislation. As a consequence these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

(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
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Note 1 Summary of Significant Accounting Policies (continued)

(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(s) 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

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Repairs and maintenance costs are recognised as expenses in profit or loss during the financial period in which they are incurred.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, are 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
Hire equipment	7-20%
Plant and equipment	5-33%
Leasehold improvements	20-33%
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.

(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.

Note 1 Summary of Significant Accounting Policies (continued)

(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.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid between 7 and 60 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

Obligations for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are 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 current employee benefit obligations in the statement of financial position.

Other Long-Term Employee Benefits

Obligations for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

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.

Defined Contribution Superannuation Benefits

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's earnings) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the undiscounted amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Note 1 Summary of Significant Accounting Policies (continued)

(n) Employee Benefits (continued)

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.

(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.

Note 1 Summary of Significant Accounting Policies (continued)

(q) Financial Instruments (continued)

(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.

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 recognised in other comprehensive income and accumulated in 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.

Note 1 Summary of Significant Accounting Policies (continued)

(q) Financial Instruments (continued)

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 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.

(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.

Note 1 Summary of Significant Accounting Policies (continued)

(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:

(i) assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
(ii) income and expenses are translated at average exchange rates for the period; and
(iii) 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.

Note 1 Summary of Significant Accounting Policies (continued)

(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.

(z) Rounding

Amounts in this financial report have been rounded to the nearest thousand dollars unless otherwise stated. The Group is the kind referred to in the Class Order 98/100 dated July 1998 issued by the Australian Securities and Investments Commission. All rounding has been conducted in accordance with the class order.

(aa) 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 stated 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 Group 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(s). 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 Group considers it probably that future taxable benefits will be available to utilise those temporary differences and losses.

(v) Derivatives

The capital appreciation, interest and dividend-triggered entitlement components of the Deferred Senior Loan Note as per Note 11, 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. Information on the key assumptions used in estimating the fair values of these instruments is stated in Note 16.

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 Group 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.

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:

(i) *AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).*

The Standard 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.

(ii) AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15).*

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

At this stage, the group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

(iii) AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2 Revenue and Other Income

The Group derives the following types of revenue:

	2016 $'000	2015 $'000
Sales revenue:		
Sale of goods	**15,204**	14,768
Hire and erection revenue	**13,216**	12,612
Total sales revenue	**28,420**	27,380
Other income:		
Other income	**86**	7
Total other income	**86**	7
Total revenue and other income from continuing operations:		
Attributable to members of the Parent Entity	**24,121**	23,099
Attributable to an entity with non-controlling interests	**4,385**	4,288
Total revenue and other from continuing operations	**28,506**	27,387

Note 3 Expenses

Loss before income tax includes the following specific expenses by nature:

	Note	2016 $'000	2015 $'000
Inventory recognised as an expense during the year		**8,495**	7,616
Depreciation expense	8	**1,415**	1,331
Amortisation expense	9	**19**	30
Goodwill impairment	9	**-**	141
Plant and equipment impairment	8	**341**	-
Employee benefits expense		**8,734**	8,994
Bad and doubtful debts provision		**6**	220
Rental expense on operating leases		**1,000**	1,133
Finance costs:			
Related parties	20(d)	**7**	7
Unrelated parties		**205**	292
Hire purchase charges		**28**	45
Unwinding of discount on deferred senior loan note		**122**	109
Other borrowing costs		**15**	29
Total finance costs		**377**	482

Note 4 Income Tax Expense

	Note	2016 $'000	2015 $'000
(a) **Income tax expense**			
Current tax			
Current tax on profits for the year		**301**	202
Adjustments for current tax of prior periods		**-**	12
Total current tax expense		**301**	214
Deferred income tax			
Decrease (increase) in deferred tax assets	13(a)	**20**	(4)
(Decrease) increase in deferred tax liabilities	13(b)	**31**	24
Total deferred tax expense/(benefit)		**51**	20
Total income tax expense		**352**	234

Note 4 Income Tax Expense (continued)

	Note	2016 $'000	2015 $'000
(b) Numerical reconciliation of income tax expense to prima facie tax payable/receivable			
Loss before income tax expense		**(370)**	(868)
Tax at the Australian tax rate of 30% (2015: 30%)		**(111)**	(260)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Non-allowable items		**103**	47
Under/(over) provision for income tax in prior year		**-**	12
Unwinding of discount on DSLN not deductible		**37**	33
Revaluation of derivative element of DSLN not deductible		**77**	69
		106	(99)
Less tax effect of:			
Net tax effect (profit) / loss from overseas operations		**(62)**	(5)
Current year tax loss not brought to account		**308**	338
Income tax expense		**352**	234
Tax recognised in other comprehensive income			
Changes in fair value of the cash flows hedge	26	**-**	(14)
Total tax recognised in other comprehensive income		**-**	(14)
Tax losses			
Unused tax losses for which no deferred tax asset has been recognised			
Operating losses		**10,906**	9,879
Capital losses		**273**	273
Potential tax benefit @ 30%		**3,354**	3,046

The unused tax losses were incurred by the Australian tax consolidated group. The losses are currently not recognised as it is not sufficiently probable that the Group will generate taxable income in the foreseeable future that will allow the losses to be utilised.

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

Note 5 Cash and Cash Equivalents

	2016 $'000	2015 $'000
Cash on hand	**2**	2
Cash at bank	**1,315**	818
Total cash and cash equivalents	**1,317**	820

(a) Reconciliation to cash flow statement

The above cash balance is reconciled to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Note	2016 $'000	2015 $'000
Cash and cash equivalents		**1,317**	820
Bank overdrafts	11	**(858)**	(796)
Balances per statement of cash flows		**459**	24

(b) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. Refer Note 1(f) for the Group's other accounting policies on cash and cash equivalents.

(c) Risk exposure

The Group's exposure to interest rate risk is discussed in Note 15. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each cash and cash equivalents mentioned above.

Note 6 Trade and Other Receivables

	2016 $'000	2015 $'000
CURRENT		
Trade receivables	**3,248**	3,754
Provision for impairment	**(103)**	(198)
Net trade receivables	**3,145**	3,556
Other receivables	**100**	52
Prepayments	**422**	242
Total current trade and other receivables	**3,667**	3,850

(a) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The Group's other accounting policies and impairment for trade and other receivables are outlined in Notes 1(g) and 1(s).

(b) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

(c) Impairment and risk exposure

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 administrative expenses item in the consolidated statement of profit or loss and comprehensive income.

The aging analysis of these receivables are as follows:

	2016 $'000	2015 $'000
1 to 3 months	**49**	16
3 to 6 months	**15**	9
Over 6 months	**39**	173
Total	**103**	198

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

	2016 $'000	2015 $'000
Opening balances	**198**	44
Provision for impairment recognised during the year	**6**	220
Receivables written off during the year as uncollectable	**(102)**	(67)
Bad debts recovered	**1**	1
Closing balance	**103**	198

Past due but not impaired

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.

As at 30 June 2016, trade receivables of $134,000 (2015: $268,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2016 $'000	2015 $'000
Up to 3 months	**99**	217
3 to 6 months	**35**	51
Total	**134**	268

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 6. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

(d) Financial assets classified as loans and receivables

	Note	2016 $'000	2015 $'000
Trade and other receivables		**3,145**	3,556
Financial assets	15	**3,145**	3,556

Note 7 Inventories

	2016 $'000	2015 $'000
Raw materials	867	916
Work in progress	330	320
Finished goods	2,421	2,488
Goods in transit	319	590
Provisions	(79)	(327)
Total inventories	3,858	3,987

Note 8 Property, Plant and Equipment

	Note	Hire Equipment $'000	Plant and Equipment $'000	Improve-ments $'000	Motor Vehicles $'000	Total $'000
Year ended 30 June 2016						
Cost		7,759	4,329	399	1,608	14,095
Accumulated depreciation/amortisation		(3,297)	(4,098)	(345)	(1,411)	(9,151)
Net book amount		4,462	231	54	197	4,944
Opening net book amount		5,639	536	88	253	6,516
Exchange differences		(47)	(5)	-	-	(52)
Additions		470	78	12	78	638
Disposals		(386)	(16)	-	-	(402)
Impairment charges *		(341)	-	-	-	(341)
Depreciation expense	3	(873)	(362)	(46)	(134)	(1,415)
Closing net book amount		4,462	231	54	197	4,944
Year ended 30 June 2015						
Cost		8,433	4,388	392	1,574	14,787
Accumulated depreciation/amortisation		(2,794)	(3,852)	(304)	(1,321)	(8,271)
Net book amount		5,639	536	88	253	6,516
Opening net book amount		6,272	660	86	452	7,470
Exchange differences		-	25	11	7	43
Additions		257	107	51	49	464
Disposals		(67)	(11)	(1)	(51)	(130)
Depreciation expense	3	(823)	(245)	(59)	(204)	(1,331)
Closing net book amount		5,639	536	88	253	6,516

* In 2016 the Directors completed a review of the hire equipment within the scaffolding segment. It was determined that certain items were no longer generating a positive return. The impairment charge of $341,000 represents the total written down value of the assets identified.

Note 9 Intangible Assets

	Note	Goodwill $'000	Trademark & Licences $'000	Software & Other $'000	Total $'000
Year ended 30 June 2016					
Cost		838	177	418	1,433
Accumulated amortisation and impairment		-	(168)	(384)	(552)
Net book amount		838	9	34	881
Opening net book amount		838	9	53	900
Additions		-	-	-	-
Amortisation charge	3	-	-	(19)	(19)
Impairment losses		-	-	-	-
Balance at 30 June 2016		838	9	34	881

Note 9 Intangible Assets (continued)

	Note	Goodwill $'000	Trademark & Licences $'000	Software & Other $'000	Total $'000
Year ended 30 June 2015					
Cost		838	177	418	1,433
Accumulated amortisation and impairment		-	(168)	(365)	(533)
Net book amount		838	9	53	900
Opening net book amount		979	20	46	1,045
Additions		-	-	26	26
Disposals		-	-	-	-
Amortisation charge	3	-	(11)	(19)	(30)
Impairment losses		(141)	-	-	(141)
Closing net book amount		838	9	53	900

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 tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs). A CGU level summary of the goodwill allocation is presented below.

	2016 $'000	2015 $'000
South & Western Australian scaffold branches	**838**	838

Significant estimate: key assumptions used for value-in-use calculations

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on a one-year budget and four-year projections approved by management. Cash flows beyond the one-year budget period are extrapolated using the estimated growth rates stated below. The growth rates for the terminal period do not exceed the long-term average growth rates for the industry in which each CGU operates.

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

	Growth Rate		Terminal Period Growth Rate	Discount Rate
	Year 1 %	Year 2-5 %	%	%
2016				
South & Western Australian scaffold branches	**-3%**	**-3%**	**3%**	**17%**
2015				
South & Western Australian scaffold branches	6%	3%	3%	17%

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.

Significant estimate: impairment charge

In 2015, the impairment charge of $141,000 arose in the consumer product CGU following a review of the Painteroo and WYCO branded products, originally acquired during 2007 and 2008, which are now selling under or as a sub-brand of the Oldfields brand name. The Group reassessed the future benefits of these brand names together with the overall operating result of the segment which lead to impairment charge during the year. No class of asset other than consumer products goodwill was impaired.

Sensitivity

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 scaffold division.

Note 10 Trade and Other Payables

	Note	2016 $'000	2015 $'000
CURRENT			
Unsecured liabilities			
Trade payables		**1,546**	1,653
Sundry payables and accrued expenses		**966**	892
Net GST payables		**158**	183
Total trade and other payables		**2,670**	2,728
(a) **Financial liabilities at amortised cost classified as trade and other payables**			
Trade and other payables			
Total current		**2,512**	2,545
Financial liabilities as trade and other payables	15	**2,512**	2,545

Trade payables are unsecured and are usually paid within 7-60 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

Note 11 Borrowings

	Note	2016 $'000	2015 $'000
CURRENT			
Secured liabilities			
Bank overdrafts	15	**858**	796
Bank loans	15	**958**	870
Other financing liabilities	15	**104**	81
Hire purchase liabilities	15	**77**	116
Total current borrowings		**1,997**	1,863
NON-CURRENT			
Secured liabilities			
Bank loans	15	**1,356**	2,309
Hire purchase liabilities	15	**74**	106
Debt element of deferred senior loan note	15	**1,137**	1,016
Total non-current borrowings		**2,567**	3,431
Total borrowings		**4,564**	5,294

(a) Current and non-current secured liabilities:

	2016 $'000	2015 $'000
Bank overdraft	**858**	796
Bank loan	**2,314**	3,179
Other financing liabilities	**104**	81
Hire purchase liabilities	**151**	222
Debt element of deferred senior loan note	**1,137**	1,016
Total current and non-current secured liabilities	**4,564**	5,294

(b) Collateral provided

The bank debt is secured by a fixed and floating charge over the Group's assets. The facility expires in August 2017. Covenants imposed by the bank includes 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. The Group complied with all its loan covenants during the year.

Note 11 Borrowings (continued)

(c) Deferred Senior Loan Note

On 21 December 2012, the Group's bank 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 repayment;
- 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 (10 cents) 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.

Note 12 Employee Benefit Obligations

	2016 $'000	2015 $'000
Current employee leave obligations	**728**	844
Non-current employee leave obligations	**74**	87
Total employee benefit obligations	**802**	931

(a) Leave obligations

The leave obligations cover the Group's liability for long service leave and annual leave.

The current portion for this obligation 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 obligation 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(n).

	2016 $'000	2015 $'000
Amounts not expected to be settled within the next 12 months		
Current leave obligations expected to be settled after 12 months	**473**	444

Note 13 Tax Assets / Liabilities

	2016 $'000	2015 $'000
CURRENT		
Income tax liabilities	**151**	**39**
Total current tax liabilities	**151**	**39**

(a) Deferred tax assets

	2016 $'000	2015 $'000
The balance comprises temporary differences attributable to:		
Employee benefits	**25**	34
	25	34
Other		
Doubtful debts	**3**	4
Other	**-**	10
Sub other total	**3**	14
Total deferred tax assets	**28**	48
Set-off of deferred tax liabilities pursuant to set-off provisions	**(28)**	(48)
Net deferred tax assets	**-**	-
Deferred tax assets expected to be realised after more than 12 months	**28**	48
Total deferred tax assets	**28**	48

(b) Deferred tax liabilities

	2016 $'000	2015 $'000
The balance comprises temporary differences attributable to:		
Fixed assets	**150**	119
Total deferred tax liabilities	**150**	119
Set-off of deferred tax assets pursuant to set-off provisions	**(28)**	(48)
Net deferred tax liabilities	**122**	71
Deferred tax liabilities expected to be realised after more than 12 months	**150**	119
Total deferred tax liabilities	**150**	119

(c) Movements in deferred tax (assets)/liabilities

	Opening Balance $'000	Recognised in Profit & Loss $'000	Closing Balance $'000
At 30 June 2016			
Fixed assets	**119**	**31**	**150**
Trade and other receivables	**(4)**	**1**	**(3)**
Employee benefits obligations	**(34)**	**9**	**(25)**
Other	**(10)**	**10**	**-**
Net deferred tax (assets)/liabilities	**71**	**51**	**122**
At 30 June 2015			
Fixed assets	95	24	119
Trade and other receivables	-	(4)	(4)
Employee benefits obligations	(43)	9	(34)
Other	(1)	(9)	(10)
Net deferred tax (assets)/liabilities	51	20	71

Note 14 Derivative Financial Instruments

	Note	2016 $'000	2015 $'000
CURRENT ASSETS			
Forward exchange contracts		-	19
Total current derivative financial assets		-	19
NON-CURRENT LIABILITIES			
Derivative element of deferred senior loan note	11(d)	**2,395**	2,138
Total non-current derivative financial instruments		**2,395**	2,138
Total derivative financial liabilities		**2,395**	2,138

(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 as per Note 26. 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 DSLN as per Note 11, 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 cash flows incorporating the term (10 years) and discount rate used (12%).

Note 15 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:

	Note	2016 $'000	2015 $'000
Financial Assets			
Cash and cash equivalents	5	**1,315**	820
Loans and receivables	6(d)	**3,145**	3,556
Financial assets at fair value through profit and loss			
Derivative instruments	14	-	19
Total Financial Assets		**4,460**	4,395
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	10	**2,512**	2,545
Borrowings	11	**4,564**	5,294
Financial liabilities at fair value through profit and loss			
Derivative instruments	14	**2,395**	2,138
Total Financial Liabilities		**9,471**	9,977

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 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.

Note 15 Financial Risk Management (continued)

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 days from the invoice date.

Collateral held by the Group securing receivables is detailed in Note 6(d).

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 6.

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 6.

(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 following table details the Group's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Financial asset and financial liability maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Financial assets - cash flows realisable								
Cash and cash equivalents	**1,315**	820	**-**	-	**-**	-	**1,315**	820
Trade and other receivables	**3,145**	3,608	**-**	-	**-**	-	**3,145**	3,608
Derivative financial instruments	**-**	19	**-**	-	**-**	-	**-**	19
Total anticipated inflows	**4,460**	4,447	**-**	-	**-**	-	**4,460**	4,447
Financial liabilities due for payment								
Bank overdrafts and bank loans	**1,970**	1,851	**1,471**	2,336	**-**	-	**3,441**	4,187
Debt element of DSLN*	**-**	-	**-**	-	**2,370**	2,370	**2,370**	2,370
Derivative element of DSLN*	**-**	-	**-**	-	**4,991**	4,991	**4,991**	4,991
Trade and other payables	**2,512**	2,545	**-**	-	**-**	-	**2,512**	2,545
Amounts payable to related parties	**-**	-	**-**	-	**-**	-	**-**	-
Other financing liabilities	**104**	81	**-**	-	**-**	-	**104**	81
Finance lease liabilities	**77**	116	**74**	106	**-**	-	**151**	222
Derivative financial instruments	**-**	-	**-**	-	**-**	-	**-**	-
Total expected outflows	**4,663**	4,593	**1,545**	2,442	**7,361**	7,361	**13,569**	14,396
Net (outflow) / inflow on financial instruments	**(203)**	(146)	**(1,545)**	(2,442)	**(7,361)**	(7,361)	**(9,109)**	(9,949)

*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 11, within the terms and conditions of the instrument without consideration for future cash outflows of interest.

Financial assets pledged as collateral

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 11(c) for further details.

Note 15 Financial Risk Management (continued)

(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.

(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 month period.

Sensitivity analysis

As at the end of the reporting period, the Group had the following variable rate borrowings:

	2016			2015		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank overdrafts and bank loans	**8.47%**	**3,172**	**33%**	8.16%	3,975	40%

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.

	Profit		Equity	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
+/- 2% in interest rates	**50**	72	**50**	72
+/- 5% in $A/$US	**360**	372	**360**	372

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

Fair value estimation

The fair values of the Group's financial assets and financial liabilities included in the Statement of Financial Positon are carried at amounts that approximate net fair values.

Note 16 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 categorised 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.

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.

Recurring fair value measurements	Note	2016 Level 2 $'000	2015 Level 2 $'000
Forward exchange contracts	14	-	19
Derivative element of DSLN	14	**2,395**	2,138
Total liabilities recognised at fair value		**2,395**	2,157

There were no transfers between levels for assets or liabilities measured at fair value on a recurring basis during the reporting period (2015: no transfers).

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

The forward exchange derivative asset of $Nil (2015: liability of $19,000) has been valued using Level 2 inputs by reference to quoted market prices in active markets.

The derivative element of the DSLN of $2,395,000 (2015: $2,138,000) has been valued using Level 2 inputs which are included in the terms and conditions of this instrument. Refer note 11(d) for main terms of the loan note.

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 cash flows 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 17 Cash Flow Information

Reconciliation of cash flow from operating activities with loss after income tax

	2016 $'000	2015 $'000
Loss after income tax	**(722)**	(1,102)
Non-cash flows in profit		
Depreciation and amortisation	**1,434**	1,361
Accrued interest charges	**-**	(9)
Non-cash acquisitions of property, plant and equipment	**-**	(178)
Net (gains)/losses on disposal of property, plant and equipment	**86**	36
Write off of plant and equipment	**356**	-
Unrealised exchange (gains)/losses	**-**	29
Unwinding of discount on deferred senior loan note	**122**	109
Revaluation of deferred senior loan note to fair value through profit or loss	**257**	229
Plant and equipment impairment	**341**	-
Goodwill impairment	**-**	141
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	**183**	165
(Increase)/decrease in inventories	**108**	906
Increase/(decrease) in trade payables and accruals	**(58)**	(172)
Decrease in income taxes payable	**112**	86
Increase in deferred taxes payable	**51**	20
Increase/(decrease) in provisions	**(129)**	(144)
Cash flow from operating activities	**2,141**	**1,477**

Note 18 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.

	2016 $'000	2015 $'000
Statement of Financial Position		
ASSETS		
Current assets	**296**	429
Non-current assets	**2,080**	2,308
TOTAL ASSETS	**2,376**	2,737
LIABILITIES		
Current liabilities	**3,502**	2,371
Non-current liabilities	**5,400**	6,169
TOTAL LIABILITIES	**8,902**	8,540
NET LIABILITIES	**(6,526)**	(5,803)
EQUITY		
Issued capital	**21,106**	21,106
Accumulated losses	**(27,632)**	(26,928)
Other reserves	**-**	19
TOTAL EQUITY	**(6,526)**	(5,803)
Statement of Profit or Loss and Other Comprehensive Income		
Loss before tax	**(171)**	(764)
Total comprehensive loss	**(171)**	(732)

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 2016 or 30 June 2015.

Contractual commitments

The Parent Entity did not have any contractual commitments as at 30 June 2016 or 30 June 2015.

Note 19 Interests in Subsidiaries

(a) Information about 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.

Name of Subsidiary	Principal Place of Business	Ownership Interest 2016 %	Ownership Interest 2015 %	Non-Controlling Interests 2016 %	Non-Controlling Interests 2015 %
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 (NSW) 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.

Note 19 Interests in Subsidiaries (continued)

(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 5-7 Peekara Street, Regency Park, South Australia.

	2016 $'000	2015 $'000
Summarised financial position - material non-controlling interests		
Current assets	**1,227**	1,009
Non-current assets	**1,857**	1,833
Current liabilities	**(416)**	(618)
Non-current liabilities	**(164)**	(253)
NET ASSETS	**2,504**	1,971
Carrying amount of non-controlling interests	**670**	556
Summarised financial performance		
Revenue	**4,383**	4,287
Profit after tax	**699**	674
Other comprehensive income after tax	**-**	-
Total comprehensive income	**699**	674
Profit attributable to non-controlling interests	**280**	270
Distributions paid to non-controlling interests	**166**	153
Summarised cash flow information		
Net cash from/(used in) operating activities	**825**	446
Net cash from /(used in) investing activities	**(86)**	(38)
Net cash from/(used in) financing activities	**(453)**	(379)
Net increase in cash and cash equivalents	**286**	29

Note 20 Related Party Transactions

(a) 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.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 19(a).

(c) Key management personnel compensation

	2016 $'000	2015 $'000
Short-term employee benefits	**608**	546
Post-employment benefits	**51**	45
Total KMP compensation	**659**	591

Detailed remuneration disclosures are provided in the remuneration report on pages 4 to 6.

Note 20 Related Party Transactions (continued)

(d) Transactions with related parties:

	2016 $'000	2015 $'000
The following transactions occurred with related parties:		
Interest paid to Sibley Investments P/L, holder of minority interest in Adelaide Scaffold Solutions P/L	-	7
Dividends paid to Sibley Investments P/L, holder of minority interest in Adelaide Scaffold Solutions P/L	**166**	153
Interest paid to Timms Realty, being a related party of William Lewis Timms (non-executive director)	**7**	-

(e) Loans to / from related parties

	2016 $'000	2015 $'000
(i) *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	-	69
Loan repayments made	-	(69)
Interest charged	-	7
Interest paid	-	(7)
End of the year	-	-
Loan payable to Timms Realty, being a related party of William Lewis Timms (non-executive director)		
Beginning of the year	-	-
Loan received	**300**	-
Loan repayments made	**(300)**	-
Interest charged	**7**	-
Interest paid	**(7)**	-
End of the year	-	-

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

(f) Terms and conditions

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

Note 21 Auditors' Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Parent Entity, its related practices and non-related audit firms:

	2016 $'000	2015 $'000
(a) BDO East Coast Partnership Australia		
Auditing or reviewing the financial report	**130**	132
Taxation services	**12**	12
Other services	-	2
Total remuneration of BDO East Coast Partnership Australia	**142**	146
(b) Network firms of BDO East Coast Partnership Australia		
Auditing or reviewing the financial statements of subsidiaries	**11**	9
Total remuneration of network firms of BDO East Coast Partnership Australia	**11**	9
Total auditors' remuneration	**153**	155

Note 22 Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by Chief Operating Decision Maker (CODM), being 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 imports, manufactures and markets paint brushes, paint rollers, painters tools, garden sheds and outdoor storage systems.

(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.

(c) **Adjusted segment EBITDA**
Adjusted segment EBITDA excludes discontinued operations and the effects of individually significant expenditure, such as restructuring costs, legal expenses, and impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of equity-settled share-based payments, when applicable and unrealised gains or losses on financial instruments.

Interest revenue and finance cost are not allocated to segments as this type of activity is driven by the central treasury function which manages the cash position of the Group.

(d) **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.

(e) **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 22 Segment Information (continued)

(f) Segment information

Operating Segment Performance	Consumer Products $'000	Scaffolding $'000	Intersegment Eliminations/ Unallocated	Total $'000
2016				
Revenue				
Sales Revenue	**10,168**	**18,318**	**(66)**	**28,420**
Other revenue	**54**	**32**	**-**	**86**
Total segment revenue	**10,222**	**18,350**	**(66)**	**28,506**
Adjusted segment EBITDA	**(685)**	**2,853**	**(166)**	**2,002**
Depreciation and amortisation expense	**(279)**	**(1,085)**	**(70)**	**(1,434)**
Impairment of plant and equipment	**-**	**(341)**	**-**	**(341)**
Revaluation of deferred senior loan note derivative component	**-**	**-**	**(257)**	**(257)**
Finance costs	**-**	**-**	**(377)**	**(377)**
Foreign exchange gain/(loss)	**-**	**-**	**37**	**37**
Profit before income tax	**(964)**	**1,427**	**(833)**	**(370)**
Income tax expense	**-**	**(352)**	**-**	**(352)**
Profit after income tax	**(964)**	**1,075**	**(833)**	**(722)**
2015				
Revenue				
Sales Revenue	10,353	17,065	(38)	27,380
Other revenue	2	5	-	7
Total segment revenue	10,355	17,070	(38)	27,387
Adjusted segment EBITDA	(784)	2,066	24	1,306
Depreciation and amortisation expense	(166)	(1,120)	(75)	(1,361)
Impairment of goodwill	(141)	-	-	(141)
Revaluation of deferred senior loan note derivative component	-	-	(229)	(229)
Finance costs	-	-	(482)	(482)
Foreign exchange gain/(loss)	-	-	39	39
Profit before income tax	(1,091)	946	(723)	(868)
Income tax expense	-	(234)	-	(234)
Profit after income tax	(1,091)	712	(723)	(1,102)

Operating Segment Assets and Liabilities	Consumer Products $'000	Scaffolding $'000	Intersegment Eliminations/ Unallocated	Total $'000
30 June 2016				
Segment assets	**5,038**	**12,960**	**(3,331)**	**14,667**
Segment liabilities	**(2,456)**	**(283)**	**(7,965)**	**(10,704)**
Segment net assets	**2,582**	**12,677**	**(11,296)**	**3,963**
30 June 2015				
Segment assets	5,595	12,761	(2,264)	16,092
Segment liabilities	(2,306)	(1,280)	(7,615)	(11,201)
Segment net assets	3,289	11,481	(9,879)	4,891

Note 23 Dividends

(a) Dividends paid or provided for

Since the start of the financial year, no dividends have been paid or declared by the Parent Entity.

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 $166,000 (2015: $153,000).

(b) Franking account balance

	Parent Entity 2016 $'000	Parent Entity 2015 $'000
The amount of the franking credits available for subsequent reporting periods are:		
Balance at the end of the reporting period	**858**	846
Franking credits that will arise from the payment of the amount of provision for income tax	**86**	12
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2015: 30%)	**944**	858

Note 24 Earnings per Share

		2016 $'000	2015 $'000
(a)	Reconciliation of earnings to profit or loss		
	(Loss) profit for the year	**(722)**	(1,102)
	less Profit attributable to non-controlling equity interest	**(280)**	(270)
	Earnings used to calculate basic EPS	**(1,002)**	(1,372)

		2016 No.	2015 No.
(b)	Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	**82,176,198**	82,176,198

Note 25 Issued Capital

	2016 $'000	2015 $'000
Fully paid ordinary shares 82,176,198 (2015: 82,176,198)	**21,106**	21,106

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

	2016 No.	2015 No.
(a) Ordinary shares		
At the end of the reporting period	**82,176,198**	82,176,198

(b) 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 11.

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 2016 and 30 June 2015 are as follows:

	Note	2016 $'000	2015 $'000
Total borrowings	11	**4,564**	5,294
Less cash and cash equivalents	5	**(1,317)**	(820)
Net debt		**3,247**	4,474
Total equity		**3,963**	4,891
Total capital		**7,210**	9,365
Gearing ratio		**45.0%**	47.8%

Note 26 Reserves

The following table shows a breakdown of the statement of financial position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Cash Flow Hedge $'000	Foreign Currency Translation $'000	Total $'000
30 June 2016			
As at 1 July 2015	**19**	**45**	**64**
Revaluation - gross	**(19)**	**-**	**(19)**
Deferred tax	**-**	**-**	**-**
Currency translation differences - Current period	**-**	**(21)**	**(21)**
Other comprehensive income	**(19)**	**(21)**	**(40)**
As at 30 June 2016	**-**	**24**	**24**
30 June 2015			
As at 1 July 2014	(14)	(26)	(40)
Revaluation - gross	47	-	47
Deferred tax	(14)	-	(14)
Currency translation differences - Current period	-	71	71
Other comprehensive income	33	71	104
As at 30 June 2015	19	45	64

Nature and purpose of other reserves

(i) *Cash flow hedge reserve*

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

(ii) *Foreign currency translation reserve*

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

Note 27 Accumulated Losses

	2016 $'000	2015 $'000
Movements in accumulated losses were as follows:		
Opening balance at 1 July	**(16,279)**	(15,024)
Net loss for the year	**(722)**	(1,102)
Dividends paid	**(166)**	(153)
Closing balance at 30 June	**(17,167)**	(16,279)
Accumulated losses attributable to:		
Members of the parent entity	**(17,837)**	(16,835)
Non-controlling interest	**670**	556
Total accumulated losses as at 30 June	**(17,167)**	(16,279)

Dividends paid to the minority interest holder in a subsidiary entity is detailed in Note 23(a).

Note 28 Commitments

(a) Capital Commitments

The Group does not have any capital expenditure commitments at reporting date.

(b) Lease Commitments

(i) Finance lease commitments

	Note	2016 $'000	2015 $'000
Payable — minimum lease payments			
- Within one year		**87**	132
- Later than one year but not later than five years		**79**	117
- Later than five years		**-**	-
Minimum lease payments		**166**	249
Less future finance charges		**(15)**	(27)
Present value of minimum lease payments	11	**151**	222

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

(ii) Non-cancellable operating lease commitments

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. On renewal, the terms of the leases are renegotiated.

	2016 $'000	2015 $'000
Commitments for minimum lease payments in relation to noncancellable operating leases are payable as follows:		
- Within one year	**1,158**	1,188
- Later than one year but not later than five years	**642**	1,815
Total operating lease commitments	**1,800**	3,003

Note 29 Contingent Liabilities and Assets

The Group does not have any significant contingent liabilities or contingent assets as 30 June 2016 or 30 June 2015.

Note 30 Events After the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year which have significantly affected or could affect the operations of the Group in future years.

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 2016 and of the performance for the year ended on that date of the consolidated entity;

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 31-August-2016

BDO

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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 2016, 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 Stat*ements, 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 2016 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 6 of the directors' report for the year ended 30 June 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Ian Hooper
Partner

Sydney, 31 August 2016

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, 3rd Edition published by the ASX Corporate Governance Council in March 2014.

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 2016 unless specifically disclosed below. Where a recommended practice has not been followed a detailed description of the practices adopted 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	Undertake appropriate checks prior to appointing as Director	The recommended practice is adopted
Recommendation 1.3	Written agreements in place with Directors and senior executives	The recommended practice is adopted
Recommendation 1.4	Company Secretary accountable to board through the chair	The recommended practice is adopted
Recommendation 1.5	Have a measurable diversity policy	The recommended practice is partially adopted, refer below for variation to recommendation
Recommendation 1.6	Establish a process for evaluating performance of the board	This recommendation has not yet been adopted
Recommendation 1.7	Have a process for periodically evaluating performance of senior executives	The recommended practice is adopted
Recommendation 2.1	The board should have a nomination committee	Nominations are considered by the whole board
Recommendation 2.2	Have a board skills matrix	The recommended practice is adopted
Recommendation 2.3	Have a list of directors who are deemed to be independent	The recommended practice is adopted
Recommendation 2.4	Majority of the board should be independent directors	The majority of the Board is not independent and the risk management process is disclosed
Recommendation 2.5	The chair of the board should be independent and not the CEO	The chair is not an independent director, but is independent of the CEO
Recommendation 2.6	Have a program for inducting new directors	The recommended practice is adopted
Recommendation 3.1	Establish and disclose a code of conduct	The recommended practice is adopted
Recommendation 4.1	The board should establish an audit committee	The recommended practice is adopted
Recommendation 4.2	Prior to approving financial statements the board receive from the CFO and CEO declaration of properly maintained records and compliance with accounting standards	The recommended practice is adopted
Recommendation 4.3	External auditor attends AGM	The recommended practice is adopted
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
Recommendation 6.1	Provide information about itself and its governance via its website.	The recommended practice is adopted. The policy is disclosed
Recommendation 6.2	Design and implement investor relations program for communication with investors	The recommended practice is adopted

Recommendation	Recommended Practice	Oldfields' Practice
Recommendation 6.3	Policies and processes in place to encourage security holder participation	The recommended practice is adopted
Recommendation 6.4	Provide security holders option to receive communication electronically	This 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	Board to review risk management framework annually	The recommended practice is adopted
Recommendation 7.3	Disclosure of internal audit function	The recommended practice is adopted
Recommendation 7.4	Disclose material exposure to economic, environmental and social sustainability risks	The indicated information is provided
Recommendation 8.1	The board should establish a remuneration committee	The recommended practice is adopted, however it does not have a majority of independent directors
Recommendation 8.2	Disclosure of policies and practices of remuneration of non-executive and executive directors.	The recommended practice is adopted
Recommendation 8.3	Policy on equity based remuneration scheme	No equity based scheme in place, recommendation will be adopted when implemented

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

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 is 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 twelve. Additional meetings are held as required.

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

Recommendation 1.2 *– Undertake appropriate checks before appointing or putting forward to security holders a candidate for election as a director*

Details are provided on a candidate for Director. These will be provided to security holders prior to any election of new Directors.

Recommendation 1.3 *– Written agreements in place with Directors and senior executives*

Detailed service contracts are in place for all senior managers and Directors, these are established prior to commencement of employment

Recommendation 1.4 *– Company Secretary accountable to the board through the chair*

The CFO/Company Secretary has clear lines of accountability with the CFO responsibilities reporting directly through to the CEO and all company secretarial functions reporting through to the Chair.

Recommendation 1.5 *– Measurable diversity policy*

A detailed diversity policy is in place, and available on the Company's webpage. In addition to this, the Company's workplace gender equality report for 2014, 2015 and 2016 are available to view. Whilst the policy diverges from some of the recommendations made, key areas in the recommendation are included in the policy, including the requirement that for all jobs advertised, it is stated that the company is an equal opportunity employer, that at least one female applicant is included in the final shortlist of candidates for the role, and shortlisted candidates are interviewed by a female as well as a male member of staff prior to a final decision on employment.

- *Specific targets of women in senior positions within the organization have not been set, as the company will select the best person for the role.*

Recommendation 1.6 *– Process for evaluation of the performance of the board*

The Board has not completed a formal evaluation process within the period. The Chairman performs an informal evaluation of individual Directors and also of each Board meeting. The Board will be considering obtaining independent advice during the next financial year.

Recommendation 1.7 *– Have a process for periodically evaluating the performance of senior management*

Senior executive management is 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.

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 *– The board should have a nomination committee*

Nominations are considered by the Board as a whole, and are only accepted if the candidate has the relevant skills required to assist the business in achieving its strategic objectives. Given the size and requirements of the Group, the Board has decided that a nomination committee is not required at this point in time.

Recommendation 2.2 *– Have a board skills matrix*

This has been established.

Recommendation 2.3 *– Have a list of directors that are deemed to be independent*

The Company has one independent director and this is disclosed in the annual report.

Recommendation 2.4 *– 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 was one independent director.

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;
- Tony Joseph Grima: appointed 14 October 2013, currently an executive director and shareholder; and

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

Recommendation 2.5 *– The chair of the board should be independent and not the CEO*

Due to the size and nature of the business, this recommendation has not been adopted. The Chair is a significant shareholder, however the recommendation of the chair not being the CEO is in place.

Recommendation 2.6 *– Have a program for inducting new directors and ensuring appropriate professional development opportunities to develop and maintain the skills required to perform their role as directors.*

There is an appropriate level of induction for new directors ensuring they understand the business needs and requirements. The Board discusses from time to time requirements to ensure continuous development of skills for the performance of their role as director.

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.

The policy is available on the Company's webpage.

Principle 4. SAFEGUARD INTEGRITY IN 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.

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.

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 4.2 *– Prior to approving financial statements the board receive from the CFO and CEO a declaration of properly maintained records and compliance with accounting standards.*

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.

The members of the Audit Committee are:

- Stephen Charles Hooper (Chairman); and
- William Lewis Timms.

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.

Recommendation 4.3 *– External auditor attends AGM*

The lead partner from the Company's auditors always attends the Company's AGM.

<u>Principle 5. MAKE TIMELY AND BALANCED DISCLOSURE</u>

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.

<u>Principle 6. RESPECT THE RIGHTS OF SHAREHOLDERS</u>

Recommendation 6.1 *–Provide information about itself and its governance via its website.*

The company has a comprehensive website for security holders, included in this website are full governance policies.

Recommendation 6.2*: Design and implement investor relations program for communications with investors.*

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.

The Shareholder Communication Strategy is available on the Oldfields website.

Recommendation 6.3 *– Disclose policies and processes in place to encourage shareholder meeting participation*

Security holders who are unable to attend meetings are given the opportunity in shareholder communications to ask questions of the Directors and responses are provided to them.

Recommendation 6.4 *– Provide security holders the option to receive communications electronically.*

The Company's share registry provider provides this option to all security holders.

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 review the risk management framework annually.*

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.

Recommendation 7.3 *– The board should disclose whether it has an internal audit function, how the function is structured and what role it performs.*

From time to time, the board will outsource the internal audit function to a company that specializes in this work. The Company will review certain areas of controls and compliance and report back to the CEO/CFO and manager of the area. This report when finalised with comments from management along with timelines for compliance are provided to the Board for review.

Recommendation 7.4 *- Disclose material exposure to material exposure to economic, environmental and social sustainability risk.*

The business is exposed to various risks, in particular economic and social sustainability risk. The Board is fully aware of these and these risks are mitigated wherever possible. In terms of social sustainability risk, the Company is a party to the packaging covenant agreement and always reviews product packaging for sustainability and recyclability.

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.

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 2.4 the following items of recommendation 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 8.2 *- Disclosure of policies and practices of remuneration of non-executive and executive directors..*

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 8.3: *Policy on equity based remuneration scheme.*

The Company currently does not have an equity based remuneration scheme. Prior to one being implemented and approved by security holders a policy will be established for security holders to review.

RISK MANAGEMENT STATEMENT

1. Introduction

This statement provides an overview of the Group's enterprise risk management policies (ERM) 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. In addition to this the Company from time to time will utilise the services of an internal auditing company to provide oversight of certain aspects of the 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 whistle-blower policy in place and encourages all staff to report risks of which they are aware.

SHAREHOLDER INFORMATION

The shareholder information set below was applicable as at 29 August 2016

(a) Distribution of Equitable Securities

Analysis of numbers of equity security holders by size of holding:

Category (size of holding)	Ordinary Shares	
	Shares	Options
1 – 1,000	64	-
1,001 – 5,000	79	-
5,001 – 10,000	20	-
10,001 – 100,000	72	-
100,001 – and over	46	-
	281	-
Holdings less than a marketable parcel	19	-

(b)Substantial Shareholders

Substantial holders (5% or more) in the company are set out below:

Shareholder	Ordinary Shares	
	Number Held	Percentage of Issued Shares
Mr Williams Lewis Timms & Mrs Carolyn Jane	39,384,528	47.93%
Timms Lymgrange Pty Limited	4,399,369	5.35%

(c) Equity Security Holders

The names of the twenty largest quoted equity security holders are listed below:

Shareholder	Ordinary Shares	
	Number Held	Percentage of Issued Shares
1. Mr Williams Lewis Timms & Mrs Carolyn Jane Timms	39,384,528	47.93%
2. Lymgrange Pty Limited	4,399,369	5.35%
3. Dixson Trust Pty Limited	4,000,000	4.87%
4. Copy That Pty Ltd / Mr Rodney Boyce Hass SF A/C	3,695,000	4.50%
5. Benger Superannuation Pty Limited / Benger Super Fund A/C	2,565,312	3.12%
6. UFBA Pty Ltd	2,200,000	2.68%
7. Mr Orlando Berardino Di Iulio & Mrs Catharina Maria Koopman	2,179,887	2.65%
8. Starball Pty Ltd	1,782,486	2.17%
9. Dr Gordon Bradley Elkington	1,527,108	1.86%
10. Asgard Capital Management Lts 0996988 / Wake Super Fund A/C	1,500,000	1.83%
11. Oceanridge Limited	1,350,000	1.64%
12. Mr Paul John Simpson	1,200,000	1.46%
13. Mr Brian Garfield Benger	1,120,000	1.36%
14. Shandora One Pty Ltd / Benger Super Fund A/C	890,614	1.08%
15. The Genuine Snake Oil Company Pty Ltd / Morson Group Super Fund A/C	700,000	0.85%
16. Seven Bob Investments Pty Ltd R F Cameron Super Fund A/C	693,000	0.84%
17. CMC Markets Stockbroking Nominees Pty Limited Accum A/C	687,757	0.84%
18. Man Investments (NSW) Pty Ltd / AMC Super Fund A/C	675,096	0.82%
19. Mrs Antionette Giles	622,818	0.76%
20. Toveken Properties Pty Ltd	584,394	0.71%
	71,757,369	87.32%

Unquoted Equity Securities

There are no unquoted or unissued securities as at 30 June 2015.

(d) Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(e) On-Market Buy Back

There is no current on-market buy back.

CORPORATE DIRECTORY

Directors

Tony Joseph Grima
William Lewis Timms
Stephen Charles Hooper

Company Secretary

Gregory John Park

Notice of Annual General Meeting

The Annual General Meeting of
Oldfields Holdings Limited will be held at:

AICD, Banksia Room
Level 1, 10 Bond Street Limited
Sydney NSW 2000
Time: 2:00pm
Date: Thursday 24th November 2016

Registered Office

Oldfields Holdings Limited
8 Farrow Road
Campbelltown NSW 2560

Principal Place of Business

Oldfields Holdings Limited
8 Farrow Road
Campbelltown NSW 2560

Share Register

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Banker

Westpac Banking Corporation
Level 12, 55 Market Street
Sydney NSW 2000

Auditor

BDO East Coast Partnership
Level 11, 1 Margaret Street
Sydney NSW 2000

Stock Exchange Listing

Oldfields Holdings Limited shares are listed on
the Australian Securities Exchange
(ASX Code: OLH)

Website

www.oldfields.com.au