

oldfields

HOLDINGS LIMITED

PROUDLY
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SINCE 1916

Half Year Financial Report



*Performance
Excellence
Innovation*

31 December 2021

OLDFIELDS HOLDINGS (ASX: OLH)

ABN 92 000 307 988

Oldfields Holdings Limited ABN 92 00 307 988

Appendix 4D

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

1. Results for announcement to the market

	Dec-21 \$'000	Dec-20 \$'000	Movement Up / (Down) \$'000	%
Revenues from ordinary activities	11,959	11,054	905	8.2
EBITDA	(98)	209	(307)	(146.9)
(Loss) profit before revaluation of derivative financial instruments & income tax	(1,750)	(1,028)	(722)	70.2
(Loss) profit from ordinary activities after tax attributable to the owners	(1,801)	(1,128)	(673)	59.7
(Loss) profit after tax attributable to members of the parent entity	(1,977)	(1,266)	(711)	56.2

The Group's net loss after tax has increased to \$1.80M for the six months ended 31 December 2021 compared to a loss of \$1.13M for the six months ended 31 December 2020. This financial period has again been negatively impacted by the COVID-19 pandemic, particularly in NSW and Victoria.

Revenue for the consumer division increased by 7.3% (\$0.2M) during the first half of the year while the EBITDA for the period was \$0.2M. This was the first time in a very long time the consumer division recorded a positive EBITDA.

The paint tools division has strong momentum and is building nicely off the back of new product introductions, solid and building relationships and positive feedback from the painting community on the performance of our products. The paint business has recovered quickly as the market has

In the scaffolding business economic condition began to recover towards the end of calendar year 2021 however the impact and flow on effect of the Covid lockdowns have impacted the scaffolding results in the first six months a material way. The business worked hard to minimise this impact however large and unpredictable volume drops were impossible to predict and difficult to manage while trying to preserve key members of the team for the inevitable turnaround.

The Group's EBITDA was a loss of \$0.10M (2020: \$0.21M profit), which included receipt of government subsidies of \$0.3M (2020: \$0.8M). Depreciation and amortisation expense for the six months ended 31 December 2021 was \$0.7M which was an increase of \$78,000 (2020: \$0.6M) which reflects the stable cost from investment in assets to support the growth of the scaffold division and \$0.7M amortisation of right-of-use assets in relation to the adoption of AASB 16 Leases in the period.

2. Review of operations and financial results

Refer to the accompanying Half-Year Financial Report for Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows.

Also refer to the Directors' Report in the accompanying Half-Year Financial Report for details on the result, including segment information and operating performance for the half-year ended 31 December 2021.

3. Dividends

No dividends have been paid or proposed during the half-year to members of Oldfields Holdings Limited.

4. Net tangible assets per security

	Dec-21 Cents per Share	Dec-20 Cents per Share
Net assets per security	1.946	5.632
Net tangible asset backing per ordinary security	1.342	4.841

5. Control gained or lost over entities


There was no control gained or lost over entities by the Group during the reporting period.

6. Details of associates and joint venture entities

The Group had no investment in associates and joint ventures during the reporting period.

7. Review status

The Oldfields Holdings Limited Half-Year Financial Report for the period ended 31 December 2021 has been subject to review by our external auditors. A copy of the Independent Review Report to the Owners of Oldfields Holdings Limited is included in the accompanying Half-Year Report.


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Ka Lung Alan Lee (Company Secretary)

Dated: 28 February 2022

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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 herein as the "Company" or "Parent Entity") and its controlled entities for the half-year ended 31 December 2021.

Directors

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

Richard John Abela	Chief Executive Officer and Managing Director
Jonathan William Doy	Independent Non-Executive Director and Interim Chairman
David John Baird	Independent Non-Executive Director
Jie Ma	Non-Executive Director
Ka Lung Alan Lee	Company Secretary

Principal Activities

The principal activities of the Group during the period were:

- import and distribution of paint brushes, paint rollers, painter's tools and accessories;
- hire and erection of scaffolding and related products; and
- manufacture and distribution of scaffolding and related equipment.

Significant Changes to Activities

There were no significant changes in the nature of the consolidated group's principal activities during the period. The majority of operations are conducted in Australia.

Review of Operations and Financial Results

Operating Results

Net operating loss for the Group after providing for income tax amounted to \$1.80M for the half-year ended 31 December 2021 (2020: Loss \$1.13M).

The Group's loss before interest, tax, depreciation and amortisation ("EBITDA") for the period was \$0.10M (2020: \$0.21M profit).

The following table summarises the key reconciling items between statutory profit (loss) after income tax attributable to the shareholders of the Group and EBITDA. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items.

	Dec-21 \$'000	Dec-20 \$'000	Dec-19 ⁽¹⁾ \$'000	Dec-18 \$'000	Dec-17 ⁽²⁾ \$'000
Sales revenue	11,959	11,054	12,239	12,305	13,404
Profit/(loss) after income tax	(1,801)	(1,128)	(487)	(214)	1,302
Income tax expense	51	100	91	154	123
Profit/(loss) before income tax	(1,750)	(1,028)	(396)	(60)	1,425
Gain on early redemption of deferred senior loan note	-	-	(470)	-	-
Revaluation of deferred senior loan note	-	-	(237)	13	(1,161)
Profit/(loss) before income tax, gain on early redemption and revaluation	(1,750)	(1,028)	(1,103)	(47)	264
Interest income	-	-	(14)	-	-
Depreciation and amortisation expense	681	548	461	438	430
Depreciation and amortisation of right-of-use assets	742	597	606	-	-
Net finance costs	232	113	65	194	215
Unrealised foreign exchange (gains) losses	(3)	(21)	5	3	7
EBITDA	(98)	209	20	588	916

(1) The Group applied AASB 16 Leases effective 1 July 2019 using the modified retrospective method, under which the comparative information is not restated.

(2) The Group has initially applied AASB 15 Revenue from Contracts with Customers at 1 July 2018.

Review of Operations and Financial Results (continued)

The Group's revenue from continuing operations for the half-year ended 31 December 2021 was \$12.0M (2020: \$11.1M), an increase of 8.2% compared with the prior period. Consumer division revenue increased by \$0.2M (7.3%) while the Scaffold division revenue also increased by \$0.7M (8.5%).

The Group's net loss after tax was \$1.80M (2020: Loss \$1.13M). This financial year has again been impacted negatively by the COVID-19 pandemic for the Scaffold division, particularly in NSW and Victoria. During the last six months, the business has further streamlined processes to lower its operating costs and strengthen the management team. Gross profit margins increased from 30.2% to 32.5% due to return of confidence in the market and better management of costs.

The Group received \$0.3M for the six months to 31 December 2021 in JobSaver payments (2020: \$0.8M in JobKeeper payments). All conditions and eligibility criteria for receiving the payments were met.

Net cash provided by operating activities was \$0.4M for the six months ended 31 December 2021, compared to \$0.7M for the six months ended 31 December 2020. The Group continues to have a strong focus on working capital management by lowering inventory within the supply chain and improving payment terms for both debtors and creditors.

Review of Operations

(i) Consumer Products - Paint Applications

Revenue for the consumer division increased by 7.3% (\$0.2M) to \$3.3M during the first half of the year while the EBITDA for the period was \$0.2M, compared to a loss of \$0.1M same time last year. This has been the first in a very long time that the consumer division has recorded a positive EBITDA. The progress and momentum in this part of the business continues to demonstrate that a return to critical mass is being achieved.

This positivity shows no sign of abating and management fully anticipate this trend to continue.

In addition, we are building further on our relationships with the major paint brands which will provide greater acceleration in the coming years. This has been achieved by focusing on continual product development and service delivery, supported by a strong and focused sales team and most importantly the painter feedback on product performance is now leading many of our competitors.

Our international exposure in paint tools is gaining momentum in both the UK the USA and New Zealand and the 2022 year will see a concerted effort to establish these markets.

Additional product development resources are now being added as we explore range extensions and additions.

Supply chain bottlenecks and escalating shipping costs continue to provide challenges particularly as we are in growth mode. The business is responding by holding additional inventory to allow to lead time lags.

(ii) Scaffolding Division

For the six months ended 31 December 2020 the Scaffold division revenues increased by 8.5% (\$0.7M) to \$8.7M for the period.

The scaffolding division was significantly exposed during the lockdowns and the results demonstrate the severe impact on revenue sustained during this period particularly in Melbourne and Sydney. Builders and large maintenance providers were unable to commit to building programs or carry out planned maintenance as they could not guarantee reliable access to job sites. This was further exacerbated when these sites related to public or government assets such as Schools, aged care facilities and the like. As a result, works were either cancelled or postponed until confidence could be restored. Finally, even though this started to abate as we approached the end of the calendar year many projects will only resume in earnest from the beginning of the 2022 calendar year.

Major customers in the rehire industry followed suit and we are happy to report that these volumes are now starting to return as they look to recover also from the previous two years. Likewise, our international customers, the largest in Japan, is also returning to increased purchase volumes.

Our China manufacturing operation in Henan city is operating at good capacity and while some issues around supply continue to frustrate the manufacturing lead times, we are very pleased with the progress of this asset and this enhanced facility will add important quality and volume increases required as we accelerate back to growth.

Financial Position

The net assets of the Group have decreased by \$1.8M from \$5.1M as at 30 June 2021 to \$3.3M as at 31 December 2021.

A key area of focus for the 2022 financial year will be to continue to increase profitability and the net asset position of the Group.

Outlook

Trading conditions from the commencement of calendar year 2022 sees the business well placed to recoup from the challenges of the prior two years. The Directors are positive about the outlook as the economic environment resume normality. This, in conjunction our strong underlying customer relationships and the internal work carried out by management to build our product position and structure the business and its people to quickly restore to full capacity.

This period has consumed working capital that would otherwise have been used for growth in the management during the covid downturn and the Directors will be looking to restore working capital via various means that will be required to access sufficient inventory and growth programs that will quickly convert to revenue and profit.

Significant Changes in State of Affairs

There have been no other significant changes in the state of affairs during or since the half-year ending 31 December 2021.

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 31 December 2021 which significantly affect or could affect the operations of the Group in future years.

Rounding

The parent entity has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts contained in this report and in the interim financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

Auditor's Independence Declaration

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

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



Richard Abela

Dated: 28 February 2022

DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF OLDFIELDS HOLDINGS LIMITED

As lead auditor of Oldfields Holdings Limited for the half-year ended 31 December 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



John Bresolin
Director

BDO Audit Pty Ltd

Sydney, 28 February 2022

Half-Year Financial Report

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General Information

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

The interim 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 interim financial report. The interim financial report was authorised for issue with a resolution of Directors on 28 February, 2022. The Directors have the power to amend and reissue the interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	Note	Dec-21 \$'000	Dec-20 \$'000
Sales revenue	3	11,959	11,054
Cost of sales		(7,449)	(6,272)
Gross profit		4,510	4,782
Other income	3	335	821
Expenses:			
Depreciation and amortisation expense		(681)	(548)
Depreciation and amortisation of right-of-use assets		(742)	(597)
Other expenses from ordinary activities:			
Sales and distribution expenses		(2,887)	(3,826)
Marketing expenses		(60)	(110)
Occupancy expenses		(224)	(5)
Administrative expenses		(1,769)	(1,432)
Finance costs		(232)	(113)
(Loss) profit before income tax		(1,750)	(1,028)
Tax expense		(51)	(100)
Net loss from continuing operations		(1,801)	(1,128)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		100	(66)
Other comprehensive income for the period, net of tax		100	(66)
Total comprehensive income for the period		(1,701)	(1,194)
Net (loss) profit for the period attributable to:			
Members of the parent entity		(1,977)	(1,266)
Non-controlling interest		176	138
Total net loss for the period		(1,801)	(1,128)
Comprehensive income attributable to:			
Members of the parent entity		(1,877)	(1,332)
Non-controlling interest		176	138
Total comprehensive income for the period		(1,701)	(1,194)
	Note	Cents	Cents
Earnings per share from continuing operations attributable to members of the parent entity:			
Basic earnings per share	5 (c)	(1.179)	(1.086)
Diluted earnings per share	5 (c)	(1.179)	(1.086)

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	Dec-21 \$'000	Jun-21 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,126	1,022
Trade and other receivables		5,019	4,089
Inventories		2,751	2,568
Current tax assets		11	85
TOTAL CURRENT ASSETS		8,907	7,764
NON-CURRENT ASSETS			
Property, plant and equipment		2,884	3,119
Right-of-use asset		2,941	3,469
Intangible assets		1,014	1,036
TOTAL NON-CURRENT ASSETS		6,839	7,624
TOTAL ASSETS		15,746	15,388
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		7,136	4,903
Borrowings	7	812	390
Lease liabilities	8	1,045	1,477
Current tax liabilities		-	97
Employees benefit obligations		911	929
TOTAL CURRENT LIABILITIES		9,904	7,796
NON-CURRENT LIABILITIES			
Borrowings	7	250	-
Lease liabilities	8	2,176	2,309
Deferred tax liabilities		92	177
Employees benefit obligations		60	51
TOTAL NON-CURRENT LIABILITIES		2,578	2,537
TOTAL LIABILITIES		12,482	10,333
NET ASSETS		3,264	5,055
EQUITY			
Issued capital		26,086	26,086
Other reserves		92	(8)
Accumulated losses		(23,742)	(21,765)
Parent interest		2,436	4,313
Non-controlling interest		828	742
TOTAL EQUITY		3,264	5,055

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2021

	Issued Capital \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Subtotal \$'000	Non- Controlling Interests \$'000	Total \$'000
Balance at 1 July 2021	26,086	(8)	(21,765)	4,313	742	5,055
Comprehensive income						
Profit (loss) for the period	-	-	(1,977)	(1,977)	176	(1,801)
Other comprehensive income for the period	-	100	-	100	-	100
Total comprehensive income for the period	-	100	(1,977)	(1,877)	176	(1,701)
Transactions with owners, in their capacity as owners						
Dividends provided for or paid	-	-	-	-	(90)	(90)
Total transactions with owners and other transfers	-	-	-	-	(90)	(90)
Balance at 31 December 2021	26,086	92	(23,742)	2,436	828	3,264

For the half-year ended 31 December 2020

	Issued Capital \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Subtotal \$'000	Non- Controlling Interests \$'000	Total \$'000
Balance at 1 July 2020	26,086	19	(18,919)	7,186	747	7,933
Comprehensive income						
Profit (loss) for the period	-	-	(1,266)	(1,266)	138	(1,128)
Other comprehensive income for the period	-	(66)	-	(66)	-	(66)
Total comprehensive income for the period	-	(66)	(1,266)	(1,332)	138	(1,194)
Transactions with owners, in their capacity as owners						
Dividends provided for or paid	-	-	-	-	(175)	(175)
Total transactions with owners and other transfers	-	-	-	-	(175)	(175)
Balance at 31 December 2020	26,086	(47)	(20,185)	5,854	710	6,564

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2021

	Note	Dec-21 \$'000	Dec-20 \$'000
OPERATING ACTIVITIES			
Receipts from customers		12,229	13,192
Payments to suppliers and employees		(11,774)	(13,050)
		455	142
Grants received		330	810
Other income received		5	11
Finance costs		(232)	(113)
Income tax paid		(158)	(106)
Net cash provided by operating activities		400	744
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(313)	(885)
Purchase of intangibles		-	(11)
Net cash used in investing activities		(313)	(896)
FINANCING ACTIVITIES			
Proceeds from borrowings		669	434
Repayment of borrowings		(197)	(234)
Loan from related party			
- proceeds from related party borrowings	10	200	-
Repayment of lease liabilities		(565)	(550)
Dividends paid by controlled entities to non-controlling interests		(90)	(175)
Net cash provided by (used in) financing activities		17	(525)
Net increase (decrease) in cash and cash equivalents		104	(677)
Net increase (decrease) in cash and cash equivalents		104	(677)
Cash and cash equivalents at beginning of the period		1,022	1,785
Cash and cash equivalents at end of the period	4	1,126	1,108

Notes to the Interim Consolidated Financial Statements

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Notes to the Interim Consolidated Financial Statements

1. Summary of Significant Accounting Policies

This general purpose interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, as appropriate for for-profit oriented entities. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim report unless otherwise stated.

Statement of Compliance

This general purpose interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements arising under the Australian Stock Exchange Listing Rules and *Corporations Act 2001*.

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. All other accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Basis of Preparation

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

Comparative figures have been adjusted to conform to changes in classification and presentation for the current period

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 interim financial statements are presented in Australian dollars which is the Parent Entity's functional currency.

Rounding

The parent entity has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts in the interim financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

Key Judgements, Estimates and Assumptions

In the process of applying the Group's accounting policies, management has made a number of judgements, applied estimates and assumptions of future events.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Going Concern and Coronavirus (COVID-19) Pandemic

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the half-year period ended 31 December 2021, the Group incurred a net loss after tax of \$1,801K (31 Dec 2020: 1,028K) and was in a net current liability position of \$997K as at 31 December 2021 (31 December 2020: \$32K). The COVID-19 pandemic continues to impact the business and has also increased the estimation uncertainty in preparing these financial statements. Our judgements continue to be relevant to those disclosed for the year ended 30 June 2021 with the following updates:

- It is anticipated that the building industry will continue to experience global impacts from the COVID-19 pandemic and Oldfields will operating with timely response to these impacts as we move to the "living with COVID" phase of the pandemic.
- Supply chain continue to be disrupted causing extra costs and delays to supply; and
- Skills availability will continue to be impacted due to reduced immigration and general availability of skilled labour supply as well as absenteeism due to COVID related incidents.

Notwithstanding the above, the Directors believe that there are reasonable grounds to conclude that the Group will continue as a going concern, after consideration of the following factors:

- The Group has prepared a detailed cash flow forecast which estimates a positive cash position over the 12-month period from the date of authorisation of this report. However, this forecast is reliant upon the receipts of additional financing from Oldfield's major shareholder, EQM Holdings Pty Ltd; and
- To date, the Directors have been successful in obtaining financial supports from EQM Holdings Pty Ltd and there are reasonable expectations that EQM Holdings Pty Ltd will continue to financially support the Group, if required. The Group has also received a letter of financial support from EQM Holdings Pty Ltd that they will continue to financially support the future activities and financial obligations of the Group for a period of at least 12 months from the date of authorisation of the 31 December 2021 Half Year Report.

Although the global economic environment and the further impacts of the COVID-19 pandemic are uncertain, management has determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared the financial statements on a going concern.

2. Segment Information

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.

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

Unless stated otherwise, all amounts reported to the Board of Directors, being the CODM 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.

The primary operating segments during the current financial period were:

(i) **Consumer Products**

The consumer products segment imports, manufactures and distributes paint brushes, paint rollers and painter's tools.

(ii) **Scaffolding**

The scaffolding segment manufactures and distributes scaffolding and related equipment. In addition, this segment is engaged in hiring scaffolding and access solutions to the building maintenance and construction industries.

2.1 Operating Segment Performance

Six months to 31 December 2021

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Revenue				
Sale of goods	3,262	1,305	(10)	4,557
Hire and erection revenue	-	7,402	-	7,402
Total segment revenue	3,262	8,707	(10)	11,959
Government grants and subsidies	-	4	326	330
Other income	-	5	-	5
Total other revenue	-	9	326	335
Total revenue and other income	3,262	8,716	316	12,294
Adjusted segment EBITDA	159	122	(379)	(98)
Depreciation and amortisation expense	10	(650)	(41)	(681)
Depreciation and amortisation of right-of-use assets	(104)	(555)	(82)	(742)
Interest income	-	-	-	-
Net finance costs	(48)	(88)	(96)	(232)
Unrealised foreign exchange loss	3	-	-	3
Profit (loss) before income tax	20	(1,172)	(598)	(1,750)
Income tax expense	-	(51)	-	(51)
Profit (loss) after income tax	20	(1,223)	(598)	(1,801)

Six months to 31 December 2020

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Revenue				
Sale of goods	3,039	1,314	-	4,353
Hire and erection revenue	-	6,701	-	6,701
Total segment revenue	3,039	8,015	-	11,054
Government grants and subsidies	-	204	606	810
Other income	1	10	-	11
Total other revenue	1	214	606	821
Total revenue and other income	3,040	8,229	606	11,875
Adjusted segment EBITDA	(33)	(194)	436	209
Depreciation and amortisation expense	(21)	(524)	(3)	(548)
Depreciation and amortisation of right-of-use assets	(68)	(355)	(174)	(597)
Net finance costs	(17)	(52)	(44)	(113)
Unrealised foreign exchange loss	21	-	-	21
Profit (loss) before income tax	(118)	(1,125)	215	(1,028)
Income tax expense	-	(100)	-	(100)
Profit (loss) after income tax	(118)	(1,225)	215	(1,128)

2.1 Operating Segment Performance (continued)

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

Corporate charges are allocated to reporting segments based on a 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.

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.

2.2 Operating Segment Assets and Liabilities

As at 31 December 2021

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Segment assets	2,824	14,661	(1,738)	15,746
Segment liabilities	(3,698)	(4,571)	(4,213)	(12,482)
Segment net assets	(874)	10,090	(5,951)	3,264

As at 30 June 2021

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Segment assets	2,728	14,258	(1,598)	15,388
Segment liabilities	(3,784)	(3,192)	(3,357)	(10,333)
Segment net assets	(1,056)	11,066	(4,955)	5,055

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.

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.

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.

3. Revenue and Other Income

The Group derives the following types of revenue:

	Dec-21 \$'000	Dec-20 \$'000
Sales revenue		
Sale of goods	4,557	4,353
Hire and erection revenue	7,402	6,701
Total sales revenue	11,959	11,054
Other income		
Government grants and subsidies	330	810
Other revenue	5	11
Total other income	335	821
Total revenue and other income from continuing operations	12,294	11,875

3.1 Recognition and Measurement

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and rebates payables. 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 is stated net of the amount of goods and services tax.

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery at an amount that reflects the consideration to which the Groups expects to be entitled in exchange for the goods.

Revenue from hire of equipment is recognised over time when the services are provided.

Government grants are recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Other revenue is recognised when it is received or when the right to receive payment is established.

3.2 Key Judgements, Estimates and Assumptions: Revenue Recognition

Hire and Erection Revenue

Revenue recognition relating to the provision of hire equipment 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.

4. Cash and Cash Equivalents

	Dec-21 \$'000	Jun-21 \$'000
Cash on hand	1	2
Cash at bank	1,125	904
Short term deposits	-	116
Total cash and cash equivalents	1,126	1,022

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 period as follows:

	Dec-21 \$'000	Dec-20 \$'000
Cash and cash equivalents	1,126	1,108
Balances per statement of cash flows	1,126	1,108

5. Earnings Per Share

	Dec-21 \$'000	Dec-20 \$'000
(a) Reconciliation of earnings to profit or loss		
Loss for the period	(1,801)	(1,128)
Less: Profit attributable to non-controlling equity interest	(176)	(138)
Earnings used to calculate basic EPS	(1,977)	(1,266)

	Dec-21 Number	Dec-20 Number
(b) during the period used in calculating basic EPS	167,706,527	116,542,192

	Dec-21 Cents	Dec-20 Cents
(c) (Loss) Profit per share	(1.179)	(1.086)

6. Commitments and Contingencies

There has been no significant movements in commitments or contingencies since the previous reporting period, being 30 June 2021.

7. Borrowings

	Dec-21 \$'000	Jun-21 \$'000
CURRENT		
<i>Secured liabilities</i>		
Shareholder loan	494	275
Other financing liabilities	318	115
Total current borrowings	812	390

NON-CURRENT		
<i>Secured liabilities</i>		
Bank loans	250	-
Total non-current borrowings	250	-
Total borrowings	1,062	390

	Dec-21 \$'000	Jun-21 \$'000
Bank loan	250	-
Shareholder loan	494	275
Other financing liabilities	318	115
Total current and non-current secured liabilities	1,062	390

7.1 Recognition and Measurement

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.

7.2 Bank loan

Working capital facility with a limit of \$250,000. It is unsecured and for a 10-year term.

7.3 Shareholder Loan

Transactions between related parties (as disclosed in note 10) are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Loans are repayable on demand with a set interest rate of 10% per annum.

8. Lease Liabilities

	Dec-21 \$'000	Jun-21 \$'000
CURRENT		
Lease liability	1,045	1,477
Total current lease liabilities	1,045	1,477
NON-CURRENT		
Lease liability	2,176	2,309
Total non-current lease liabilities	2,176	2,309
Total lease liabilities	3,221	3,786

	Dec-21 \$'000	Jun-21 \$'000
Maturity Analysis		
<i>Contractual discounted cash flows</i>		
Within one year	1,045	1,477
Later than one year but not later than five years	2,176	2,309
Later than five years	-	-
Total contractual undiscounted cash flows	3,221	3,786

8.1 Recognition and Measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

8.2 Key Judgements, Estimates and Assumptions: Termination and Extension Options

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise and extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

9. Events After the Reporting Period

There are no matters or circumstances that have arisen since 31 December 2021 which significantly affect or could affect the operations of the Group in future years.

10. Related Party Transactions

Ultimate controlling entity

Oldfields Holdings Limited (incorporated in Australia).

	Dec-21 \$	Dec-20 \$
Transactions with related parties		
The following transactions occurred with related parties:		
Dividends paid to Sibley Investments Pty Ltd, holder of minority interest in Adelaide Scaffold Solutions Pty Ltd	90,000	175,000

	Dec-21 \$	Jun-21 \$
Loans from related parties		
Loan payable to EQM Holdings Pty Limited (the Group's major shareholder)		
Beginning of the year	274,740	-
Loan received	200,000	269,000
Loan repayments made	-	-
Interest charged	19,537	5,740
Interest paid	-	-
End of the year	494,277	274,740

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.

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.

Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes thereto are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



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Richard Abela

Dated: 28 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oldfields Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Oldfields Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'John Bresolin'. Above the signature, the letters 'BDO' are written in a stylized, cursive script.

John Bresolin
Director

Sydney, 28 February 2022

Corporate Directory

Directors

Mr Richard John Abela

Executive Director, CEO

Mr Jonathan William Doy

Independent Non-Executive Director

Mr David John Baird

Independent Non-Executive Director

Mr Jie Ma

Non-Executive Director

Company Secretary

Mr Ka Lung Alan Lee

Registered Office and Principal Place of Business

8 Farrow Road,
Campbelltown NSW 2560
02 4645 0700

Auditor

BDO Audit Pty Ltd

Level 11, 1 Margaret Street
Sydney NSW 2000

Website

www.oldfields.com.au

Share Registry

Boardroom Pty Ltd

Level 12, 225 George Street
Sydney NSW 2000
1300 737 760 (in Australia)
www.boardroomlimited.com.au

Stock

Oldfields Holdings Limited (ASX: OLH)

Banker

Westpac Banking Corporation

Level 12, 55 Market Street
Sydney NSW 2000

Commonwealth Bank of Australia

Level 1, 1 Harbour Street
Sydney NSW 2000

Bank of Sydney Limited

219-223 Castlereagh Street
Sydney NSW 2000

National Australia Bank

Shop 10-33/686 George Street
Sydney NSW 2000