



**oldfields**  
HOLDINGS LIMITED

# 2022

## Annual Report



**oldfields**  
HOLDINGS LIMITED

*Performance*  
*Excellence*  
*Innovation*

# Annual Report Contents

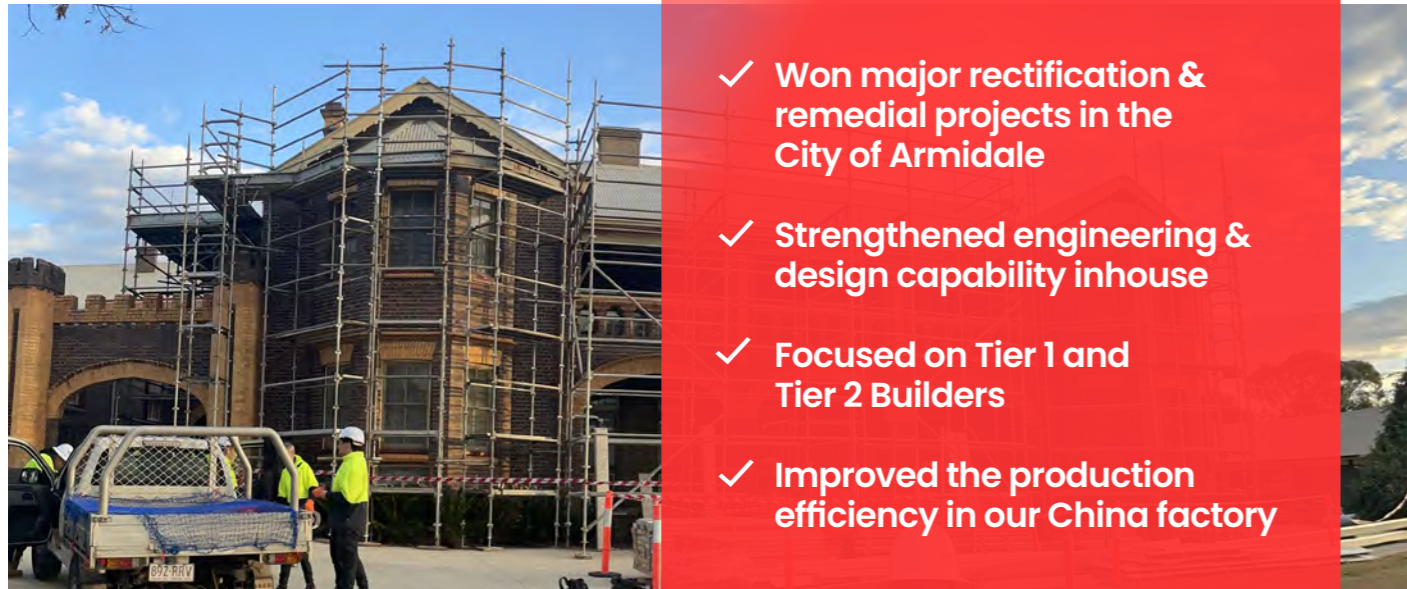
---

<b>FY2022 HIGHLIGHTS</b>	<b>3</b>
<b>VALUES STATEMENT</b>	<b>4</b>
<b>CHAIRMAN'S REPORT</b>	<b>5</b>
<b>CEO REPORT</b>	<b>7</b>
<b>DIRECTORS' REPORT</b>	<b>9</b>
<b>AUDITOR'S INDEPENDENT DECLARATION</b>	<b>15</b>
<b>FINANCIAL STATEMENTS</b>	<b>16</b>
<b>DIRECTORS' DECLARATION</b>	<b>45</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>46</b>
<b>CORPORATE GOVERNANCE STATEMENT</b>	<b>51</b>
<b>RISK MANAGEMENT STATEMENT</b>	<b>60</b>
<b>SHAREHOLDER INFORMATION</b>	<b>62</b>
<b>CORPORATE DIRECTORY</b>	<b>63</b>

FY2022

# Highlights

## Scaffolding



- ✓ Won major rectification & remedial projects in the City of Armidale
- ✓ Strengthened engineering & design capability inhouse
- ✓ Focused on Tier 1 and Tier 2 Builders
- ✓ Improved the production efficiency in our China factory

## Paint Tools



- ✓ Sales increase ↑ 5%
- ✓ Selected as core suppliers by Watty and Dulux
- ✓ Streamline internal procurement process
- ✓ Worked with suppliers to minimise the supply chain disruption

## Values

# Statement

**Daily at Oldfields, we serve our customers and community with integrity, dedication, professionalism and reliability.**

We value all our customer relationships that range from national retailers and head contractors to independently owned family businesses. From the executive team to the branch manager level, our team members always seek to exceed expectations through our products, service and behavior that is guided by our Values and Brand DNA.

Shareholders can be proud of an “all of company” approach

We aim to create a quality service culture that will deliver reliability and innovation at all levels of the Oldfields organisation and in doing so, demonstrate value and reliability to our employees, subcontractors, customers, end users and ultimately, community.

We will work hard to continue to develop our brand DNA so that Oldfields continues to champion these values for the next 100 years.

**oldfields**  
**PASSION**

**INNOVATION** **CUSTOMER SERVICE**

**CORE VALUES**

**SAFETY & SUSTAINABILITY** **INTEGRITY**

**ACCOUNTABILITY**

# CHAIRMAN'S Report

During a year of significant macroeconomic volatility, global supply chain disruption, extreme weather and the continued impacts of COVID-19, the Oldfields Group experienced a combination of some noteworthy achievements and challenging outcomes in FY2022.

Group revenue increases on FY2021, with significant uplift on the back half of FY2022 as we emerged from pandemic restrictions, was pleasing to see. Challenges including rising cost pressures and market conditions saw a considerable profitability variance with top line revenue growth.

Growth in top line revenue was not matched by profitability with gross margin and rising cost pressures detracting from the overall results. Additionally, a significant reduction in government subsidies in relation to COVID-19 is partially attributable to the group's EBITDA loss.

The board and I are proud of the resilience of the team as they navigated the impacts of COVID and it is encouraging to see the group emerge from the effects of this pandemic with determination which has contributed to the aforementioned top line growth.

I would like to thank former CEO Mr. Richard Abela for his leadership and guidance during this time. Over the past six years, Richard has navigated the business through some challenging times with a focus Oldfields' 100 year product heritage and quality reputation. Richard, on behalf of the board, we wish you every success in the future.

From July 2022 we welcomed Mr. Michael Micallef as the new CEO and Managing Director of Oldfields. Bringing new energy and experience to the group, Michael will lead Oldfields' through a necessary business transformation, with the events in FY2022 highlighting key areas of focus.

Attention has now been turned to building a more efficient and customer-focused organisation with improved systems, processes, and risk management. One that is better positioned to adapt quickly to changing business conditions.

Our people are our greatest resource, powering our high-performance culture. We are working to further increase engagement, extending our people and culture strategy and capability to attract and retain talent whilst creating an environment that enables them to thrive.

In summary, our transformation strategy in FY2023 is focused on positioning Oldfields for long term success, restoring profitability and pride to an iconic Australian brand with over 100 years of history.

With COVID-19 related pressures easing, we are optimistic that the Group performance will continue to improve in FY2023. I believe we are on the right path to transform Oldfields into a more sustainable, high performing organisation that delivers long term value for our shareholders.

On behalf of the Board, I would like to thank our management team and our people for their continued efforts and commitment. Our team has been supported by our contractors and suppliers and I would like to thank those groups for their contribution in running a successful operation.

And finally, I would like to thank our shareholders for your ongoing support.

**Jonathan Doy**  
Chairman

CEO

# Report

I'm thrilled to be writing my first CEO's report for Oldfields Holdings Ltd. Since commencing this role, it has become progressively clear to me that Oldfields' rich heritage, brand value and unsurpassed quality provides us with unique and untouched opportunities across local and international markets. Additionally, it also clear that in order to realise Oldfields' true growth potential, a sound and executable business transformation plan is essential.

On reflection, FY2022 marked the third year of significant disruptions at Oldfields, and I would like to thank everyone in the group for their efforts and ability to remain focused in a very challenging operating environment.

It was a year of mixed fortunes with a range of challenges, some familiar while others new. The lingering effects of the COVID-19 pandemic, a fifty-year low unemployment rate, ongoing skilled labour shortages, and record rainfall across the Eastern Australia were all contributing factors. Additionally, the continuation of global supply chain issues, a dramatic rise in aluminum and energy costs and major flood events stoked inflation to levels not experienced for over 30 years.

Pleasingly, the group realized a 7.7% increase in revenue for the full year as pandemic restrictions eased. Furthermore, group revenues of \$12.5M generated during the second half of the year, exceed revenues in the first half of the year by 4.6%.

Revenue across our Scaffold division marginally decreased from \$18.3m in 2021 to \$18.2m in 2022 with second half revenues of \$9.5m compared to \$8.7m in the first. This was namely as a result of restrictions easing and a recovering construction sector.

The Scaffolding team engaged in larger jobs with Tier 1 and 2 builders and won a major rectification works contract in the City of Armidale. The Armidale project is a portfolio of 50+ buildings that had been impacted by major storm damage. This project will continue to contribute notable results for the remainder of FY23 and a key focus of the team will be to continue to build a pipeline with similar opportunities.

The Paint Tools division has been less affected due to strong sales channel development. Revenue increased by 4.6% on last year to \$6.3m in 2022 with Oldfields selected as a core supplier of paint tools by both WattyI and Dulux as stores in Australia and New Zealand.

Group EBITDA posted a loss of \$1.0m as compared to a profit of \$0.2m in 2021.

The decrease was partially attributable to the reduction in government subsidies in relation to COVID-19 from \$1.2m in 2021 to \$0.3m in 2022. The Group's gross margin also decreased from 42.0% in 2021 to 35.4% in 2022 mainly due to increase in market competition, skilled labour shortages and supply chain costs.

## *Working on the Business, Whilst building for the Future.*

In FY2023, we will implement a robust strategic review and business transformation program, which will involve a series of measures aimed at improving our competitiveness, our performance, and sharpening our focus on the customer experience. Essentially, business transformation is an incremental step change to better deliver on an organisations' core value proposition.

As the strategy develops over the coming months, building of processes, disciplines and predictability across our core business will be imperative.

Our primary goals remain unchanged – for Oldfields to be an employer of choice; be a trusted and valued provider of products and services to our customers; and to generate superior returns for our shareholders in a sustainable and responsible manner.

I want to sincerely thank our leaders and our employees for their dedication, passion, hard work and commitment during such an extraordinary period in the Company's history. I also would like to thank Richard Abela, the former CEO, for a smooth handover with me over the last month.

And finally, I like to thank my fellow directors and the shareholders for your continued support.

**Michael Micallef**  
CEO & Managing Director

# 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 the "Parent Entity") and its controlled entities for the financial year ended 30 June 2022.

## Directors' Details

The names and details of the Directors of the Company 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.

### Michael Micallef (appointed on 25 July 2022)

Chief Executive Officer and Managing Director

Mr Micallef has more than 10 years of executive leadership experience. He is a passionate and customer focused leader who adapts to go-to-market strategies and evidenced identifying and consolidating opportunities through to execution.

**Other current directorships:**

None

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

Nil

### Jonathan William Doy

Independent non-executive Director and Interim Chairman

Mr Doy is a director in the taxation advisory practice of William Buck Australia. He is an acknowledged specialist in tax as well as in the broader business implications of transactions particularly in the construction and property industry.

**Special responsibilities**

Chairman of the Audit Committee and Member of the Remuneration & Nomination Committee

**Qualifications**

Bachelor of Economics, Member of AICD and Fellow Member of CPA

**Other current directorships:**

None

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

Nil

### David John Baird

Independent non-executive Director

Mr Baird has over 30 years experience in local government, planning and environmental law.

**Special responsibilities**

Chairman of the Remuneration & Nomination Committee and Member of the Audit Committee

**Qualifications**

Bachelor of Arts and Bachelor of Laws

**Other current directorships:**

None

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

235,000 shares held

### Jie Ma

Non-executive Director

Mr Ma has over 20 years experience in mid and high-rise construction in China and Australia.

**Special responsibilities**

Member of the Audit Committee and Member of the Remuneration & Nomination Committee

**Qualifications**

Bachelor of Industrial and Civil Engineering

**Other current directorships:**

None

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

85,530,329 shares held

(holds 50% of the units in the EQM Holdings Unit Trust. EQM Holdings Pty Ltd atf the EQM Holdings Unit Trust holds 85,530,329 ordinary shares)

## Richard John Abela

Chief Executive Officer and Managing Director (resigned 25 July 2022)

Executive Director (appointed 25 July 2022)

Mr Abela has more than 20 years experience in senior/managing director roles in finance, sales & marketing and supply chain including a number of years in the building products sector, scaffolding and trade related industries.

### Qualifications

Fellow Member of CPA and Master of Business Administration

### Other current directorships:

Order of Saint John of Jerusalem, Knights Hospitaller

### Previous directorships (last 3 years):

None

### Interest in shares and options:

201,000 shares held

## Company Secretary

Alan Lee was appointed as Company Secretary on 12 June 2019.

Alan has over 25 years experience in financial reporting and controls, corporate advisory and governance, business valuation, transaction services across a wide range of industries and sectors in Australasia and Asia. He has been Chief Financial Officer of another ASX listed company and a mid-market private equity firm in Australia. Alan has worked in the Financial Advisory division and Assurance division of KPMG, PwC and EY in Sydney and Hong Kong. He holds a Bachelor of Commerce and a Graduate Diploma in Applied Finance and Investment as well as a CPA in Australia and Hong Kong.

## Principal Activities

The principal activities of the Group during the financial year 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.

There were no significant changes in the nature of the Group's principal activities during the financial year. The majority of operations are conducted in Australia.

## Review of Operations and Financial Results

### Operating Results

Net loss for the Group after providing for income tax amounted to \$4.0M (2021: \$2.6M loss).

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) has reduced from \$0.2M last year to \$1.0M loss this year.

The following table summarises the key reconciling items between 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. The Directors consider EBITDA to reflect the core earnings/(loss) of the Group.

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
<b>Sales revenue</b>	<b>24,474</b>	<b>22,716</b>	<b>24,591</b>	<b>24,755</b>	<b>25,898</b>
<b>Profit (loss) after income tax</b>	<b>(4,034)</b>	<b>(2,586)</b>	<b>(1,222)</b>	<b>(228)</b>	<b>1,550</b>
Income tax expense	219	290	284	416	309
<b>Profit (loss) before income tax</b>	<b>(3,815)</b>	<b>(2,296)</b>	<b>(938)</b>	<b>188</b>	<b>1,859</b>
Gain on early redemption of deferred senior loan note	-	-	(470)	-	-
Revaluation of deferred senior loan note	-	-	(237)	(508)	(1,936)
<b>Profit (loss) before income tax, gain on early redemption and revaluation</b>	<b>(3,815)</b>	<b>(2,296)</b>	<b>(1,645)</b>	<b>(320)</b>	<b>(77)</b>
Interest income	-	-	(14)	-	-
Depreciation and amortisation expense	600	930	739	880	912
Depreciation and amortisation of right-of-use assets	1,602	1,472	1,415	-	-
Net finance costs	654	240	165	349	278
Unrealised foreign exchange losses	5	(183)	-	6	8
<b>EBITDA</b>	<b>(954)</b>	<b>163</b>	<b>660</b>	<b>915</b>	<b>1,121</b>
Dividends paid	-	-	-	-	-
Share price	<b>0.048</b>	0.076	0.070	0.034	0.065
Return on capital	-	-	-	-	6.54%

The Group's revenue increased by 7.7% from \$22.7m to \$24.5m. Revenue from the consumer products segment increased by 4.6% which had been benefited from the post lockdown effect and the new arrangement with Watty. For the Scaffold segment, revenue marginally decreased by 0.6% with the market remained competitive.

The Group's net loss after tax was \$4.0m (2021: Loss \$2.6m). The Group had a loss of \$3.8m before income tax (2021: Loss \$2.3m).

The Group's EBITDA was a loss of \$1.0m (2021: \$0.2m profit) and the decrease was partially attributable to the reduction in government subsidies in relation to COVID from \$1.2m in 2021 to \$0.3m in 2022. The Group's gross margin also decreased from 42.0% in 2021 to 35.4% in 2022 due to increase in market competition and supply chain costs.

Depreciation and amortisation expense for the year was \$2.2m which was a decrease of \$0.2m (2021: \$2.4m) which reflects the impact on the review and changes of expected useful life of some hire equipment.

#### Review of Operations

Refer to the CEO Report on pages 7 to 8 of the Annual Report.

#### Financial Position

The net assets of the Group have decreased by \$3.4M from \$5.0M at 30 June 2021 to \$1.6M at 30 June 2022.

A key area of focus for the 2023 financial year will be to trade profitably and further increase 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 were no matters or circumstances that have arisen since 30 June 2022 which significantly affect or could affect the operations of the Group in future years.

#### Future Developments, Prospects and Business Strategies

Growth strategies across both divisions and new product introductions as well as expanding sales channels both domestically and internationally is providing the Directors confidence for an improvement of financial performance in 2023 financial year. The Paint Applications business has been restructured to achieve critical mass and return to profitability. Strategies for Scaffolding focus on driving revenue by developing non-cyclical sectors and major projects as well as improve efficiency in each branch.

#### 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:

Director's Name	Board		Audit Committee		Remuneration Committee	
	Number	Number	Number	Number	Number	Number
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Michael Micallef	-	-	-	-	-	-
Richard John Abela	12	12	-	-	-	-
Jonathan William Doy	12	11	2	2	2	2
David John Baird	12	11	2	2	2	2
Jie Ma	12	4	2	-	2	-

#### Remuneration Report (Audited)

##### Remuneration Policy

The remuneration policy of the Group has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering incentives based on key performance areas affecting the consolidated entity's financial results. The Board believes the remuneration policy to be appropriate and effective in its 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; and
- 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 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 high calibre executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive at a minimum, a superannuation guarantee contribution required by the government, which for the 2022 financial year was 10.0% of the individual's earnings. Individuals may however have chosen to sacrifice part of their salary to increase payments towards their 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 Group 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 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 the Group 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 may be sought from organisations such as Standard & Pools.

### 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	Contract Details:	Current Salary / Fees
Michael Micallef (appointed 25 July 2022)	Chief Executive Officer and Managing Director	Duration unspecified. Termination 3 months notice	\$0
Richard John Abela (resigned as CEO 25 July 2022)	Executive Director and Chief Executive Officer	Duration unspecified. Termination 3 months notice	\$282,500
Jonathan William Doy	Independent Non-executive Director	Duration & termination unspecified	\$40,000
David John Baird	Independent Non-executive Director	Duration & termination unspecified	\$40,000
Jie Ma	Non-executive Director	Duration & termination unspecified	\$100,000
Ka Lung Alan Lee	Company Secretary and Chief Financial Officer	Duration unspecified. Termination 3 months notice	\$199,809

The table below illustrates the proportion of remuneration that was performance related and fixed salary/fees.

	Performance Related %	Fixed %	Total %
Michael Micallef	-	100	100
Richard John Abela	-	100	100
Jonathan William Doy	-	100	100
David John Baird	-	100	100
Jie Ma	-	100	100
Ka Lung Alan Lee	-	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 Key Management Personnel

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:

	Year	Short-Term Benefits				Long-Term Benefits	Post Employment Benefits	Total
		Cash Salary and Fees	Cash Bonuses & Incentives	Non-Monetary Benefits	Movement in Leave Entitlements	Leave Entitlements	Super-annuation	
		\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors</b>								
Michael Micallef	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Richard John Abela	2022	258,964	-	-	11,156	-	23,536	293,656
	2021	246,117	-	-	7,062	-	22,533	275,712
Ka Lung Alan Lee	2022	182,349	-	-	9,634	-	17,460	209,443
	2021	182,001	-	-	8,659	-	18,525	209,185
<b>Non-Executive Directors</b>								
Jonathan William Doy	2022	39,091	-	-	-	-	909	40,000
	2021	40,000	-	-	-	-	-	40,000
David John Baird	2022	40,000	-	-	-	-	-	40,000
	2021	40,000	-	-	-	-	-	40,000
Jie Ma	2022	100,000	-	-	-	-	-	100,000
	2021	100,000	-	-	-	-	-	100,000
<b>2022 Total KMP</b>	<b>2022</b>	<b>620,404</b>	<b>-</b>	<b>-</b>	<b>20,790</b>	<b>-</b>	<b>41,905</b>	<b>683,099</b>
<b>2021 Total KMP</b>	<b>2021</b>	<b>608,118</b>	<b>-</b>	<b>-</b>	<b>15,721</b>	<b>-</b>	<b>41,058</b>	<b>664,897</b>

## 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.

## Shares held by Key Management Personnel

The number of ordinary shares in Oldfields Holdings Limited held during the 2022 financial year by each of the KMP of the Group 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
Michael Micallef	-	-	-	-	-
Richard John Abela	201,000	-	-	-	201,000
Jonathan William Doy	-	-	-	-	-
David John Baird	235,000	-	-	-	235,000
Jie Ma*	85,530,329	-	-	-	85,530,329
Alan Lee	-	-	-	-	-
<b>Total</b>	<b>85,966,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,966,329</b>

\* holds 50% of the units in the EQM Holdings Unit Trust. EQM Holdings Pty Ltd atf the EQM Holdings Unit Trust holds 85,530,329 ordinary shares

## Other Transactions with Key Management Personnel

There were no other transactions conducted between the Group and KMP or their related parties, other than those disclosed above or in note 30 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, 40,000,000 unlisted and detached warrants were issued to PURE Asset Management with exercise price of \$0.105 each.

## Rounding

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

## 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.

Details of the amount paid to the auditors of the Company, BDO Audit Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out in note 28 to the financial statements.

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



.....  
**Jonathan Doy**

Dated: 2 October 2022

## DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF OLDFIELDS HOLDINGS LIMITED

As lead auditor of Oldfields Holdings Limited for the year ended 30 June 2022, 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.



Ryan Pollett  
Director

**BDO Audit Pty Ltd**

Sydney, 2 October 2022

# Financial Statements

	Page
Consolidated Statement of Profit or Loss and Other Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20
Notes to the Consolidated Financial Statements	21

## 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. It's 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 2 October, 2022. 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 2022

	Note	2022 \$'000	2021 \$'000
Sales revenue	4	24,474	22,716
Cost of sales		(15,799)	(13,181)
Gross profit		8,675	9,535
Other income	4	586	1,183
<b>Expenses:</b>			
Depreciation and amortisation expense	5	(600)	(930)
Depreciation and amortisation of right-of-use assets	5	(1,602)	(1,472)
Other expenses from ordinary activities:			
Sales and distribution expenses		(6,227)	(7,228)
Marketing expenses		(116)	(217)
Occupancy expenses		(320)	(286)
Administrative expenses		(3,557)	(2,641)
Finance costs	5	(654)	(240)
<b>Loss before income tax</b>		<b>(3,815)</b>	<b>(2,296)</b>
Tax expense	6	(219)	(290)
<b>Net loss from continuing operations</b>		<b>(4,034)</b>	<b>(2,586)</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		92	(27)
<b>Other comprehensive income for the year, net of tax</b>		<b>92</b>	<b>(27)</b>
<b>Total comprehensive income for the year</b>		<b>(3,942)</b>	<b>(2,613)</b>
Net loss for the year attributable to:			
Members of the parent entity		(4,296)	(2,846)
Non-controlling interest		262	260
<b>Total net loss for the year</b>		<b>(4,034)</b>	<b>(2,586)</b>
Comprehensive income attributable to:			
Members of the parent entity		(4,204)	(2,873)
Non-controlling interest		262	260
<b>Total comprehensive income for the year</b>		<b>(3,942)</b>	<b>(2,613)</b>
	Note	Cents	Cents
<b>Earnings per share from continuing operation attributable to members of the parent entity</b>			
Basis earnings per share	22	(2.562)	(1.697)
Diluted earnings per share	22	(2.562)	(1.697)

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	1,426	1,022
Trade and other receivables	8	6,518	4,089
Inventories	9	3,740	2,568
Current tax assets	6	95	85
<b>TOTAL CURRENT ASSETS</b>		<b>11,779</b>	<b>7,764</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	2,606	3,119
Right-of-use assets	11	3,400	3,469
Intangible assets	12	1,001	1,036
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,007</b>	<b>7,624</b>
<b>TOTAL ASSETS</b>		<b>18,786</b>	<b>15,388</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	7,841	4,903
Borrowings	14	4,308	390
Lease liabilities	15	794	1,477
Current tax liabilities	6	-	97
Employees benefit obligations	16	993	929
<b>TOTAL CURRENT LIABILITIES</b>		<b>13,936</b>	<b>7,796</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	15	2,961	2,309
Deferred tax liabilities	6	198	177
Employees benefit obligations	16	75	51
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,234</b>	<b>2,537</b>
<b>TOTAL LIABILITIES</b>		<b>17,170</b>	<b>10,333</b>
<b>NET ASSETS</b>		<b>1,616</b>	<b>5,055</b>
<b>EQUITY</b>			
Issued capital	19	26,086	26,086
Warrant reserve	20	692	-
Other reserves	20	84	(8)
Accumulated loss	23	(26,061)	(21,765)
Parent interest		801	4,313
Non-controlling interest	23	815	742
<b>TOTAL EQUITY</b>		<b>1,616</b>	<b>5,055</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Issued Capital \$'000	Warrant Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Subtotal \$'000	Non- Controlling Interests \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		26,086	-	(8)	(21,765)	4,313	742	5,055
<b>Comprehensive income</b>								
Profit (loss) for the year		-	-	-	(4,296)	(4,296)	262	(4,034)
Other comprehensive income for the year	20	-	-	92	-	92	-	92
<b>Total comprehensive income for the year</b>		-	-	92	(4,296)	(4,204)	262	(3,942)
<b>Transactions with owners in their capacity as owners</b>								
Issue of share capital	19	-	-	-	-	-	-	-
Warrants issued	20	-	692	-	-	692	-	692
Dividends provided for or paid	21	-	-	-	-	-	(189)	(189)
<b>Total transactions with owners and other transfers</b>		-	692	-	-	692	(189)	503
<b>Balance at 30 June 2022</b>		<b>26,086</b>	<b>692</b>	<b>84</b>	<b>(26,061)</b>	<b>801</b>	<b>815</b>	<b>1,616</b>

For the year ended 30 June 2021

	Note	Issued Capital \$'000	Warrant Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Subtotal \$'000	Non- Controlling Interests \$'000	Total \$'000
<b>Balance at 1 July 2020</b>		26,086	-	19	(18,919)	7,186	747	7,933
<b>Comprehensive income</b>								
Profit (loss) for the year		-	-	-	(2,846)	(2,846)	260	(2,586)
Other comprehensive income for the year	20	-	-	(27)	-	(27)	-	(27)
<b>Total comprehensive income for the year</b>		-	-	(27)	(2,846)	(2,873)	260	(2,613)
<b>Transactions with owners in their capacity as owners</b>								
Issue of share capital	19	-	-	-	-	-	-	-
Dividends provided for or paid	21	-	-	-	-	-	(265)	(265)
<b>Total transactions with owners and other transfers</b>		-	-	-	-	-	(265)	(265)
<b>Balance at 30 June 2021</b>		<b>26,086</b>	<b>-</b>	<b>(8)</b>	<b>(21,765)</b>	<b>4,313</b>	<b>742</b>	<b>5,055</b>

The accompanying notes form part of these financial statements.



# Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		24,252	25,103
Payments to suppliers and employees		(25,984)	(24,564)
		(1,732)	539
Other income received		586	1,183
Finance costs		(621)	(240)
Income tax paid		(304)	(224)
<b>Net cash provided by (used in) operating activities</b>	7	<b>(2,071)</b>	1,258
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	10	(241)	(693)
Payments for intangibles	12	(11)	(141)
<b>Net cash used in investing activities</b>		<b>(252)</b>	(834)
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings		4,285	376
Repayment of borrowings		(400)	(383)
Loans from related party			
- proceeds from borrowings		469	275
- repayments made		(469)	-
Lease repayments		(969)	(1,190)
Dividends paid by controlled entities to non-controlling interests	21	(189)	(265)
<b>Net cash provided by (used in) financing activities</b>		<b>2,727</b>	(1,187)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>404</b>	(763)
Net increase (decrease) in cash and cash equivalents		404	(763)
Cash and cash equivalents at beginning of financial year		1,022	1,785
<b>Cash and cash equivalents at end of financial year</b>	7	<b>1,426</b>	<b>1,022</b>

The accompanying notes form part of these financial statements.

# Notes to the Consolidated Financial Statements

	<b>Page</b>	
Note 1	General Information and Statement of Compliance	22
Note 2	Summary of Significant Accounting Policies	22
Note 3	Segment Information	25
Note 4	Revenue and Other Income	27
Note 5	Expenses	28
Note 6	Income Taxes	28
Note 7	Cash and Cash Equivalents	29
Note 8	Trade and Other Receivables	30
Note 9	Inventories	31
Note 10	Property, Plant and Equipment	31
Note 11	Right -of-Use Assets	32
Note 12	Goodwill and Other Intangible Assets	33
Note 13	Trade and Other Payables	33
Note 14	Borrowings	34
Note 15	Lease Liabilities	34
Note 16	Provisions	35
Note 17	Financial Risk Management	36
Note 18	Impairment of Non-Financial Assets	38
Note 19	Share Capital	38
Note 20	Reserves	39
Note 21	Dividends	39
Note 22	Earnings per Share	39
Note 23	Accumulated Losses	40
Note 24	Subsidiaries	41
Note 25	Commitments and Contingencies	42
Note 26	Events After the Reporting Period	42
Note 27	Parent Entity Disclosures	42
Note 28	Auditor's Remuneration	43
Note 29	Related Party Transactions	43
Note 30	Deed of Cross Guarantee	44
Note 31	Changes in Liabilities Arising from Financing Activities	44

# Notes to the Consolidated Financial Statements

## 1. General Information and Statement of Compliance

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*.

## 2. Summary of Significant Accounting Policies

### 2.1 Statement of Compliance

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'). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

### 2.2 Basis of Preparation

The 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.

Where applicable, comparative figures are adjusted to conform to changes in classification and presentation for the current financial year.

### 2.3 Going Concern

This 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 year ended 30 June 2022, the Group incurred a net loss after tax of \$4.0m (30 June 2021: \$2.6m), net cash outflows from operating activities of \$2.07m (2021: inflow of \$1.26m) and was in a net current liability position of \$2.16m (30 June 2021: \$0.03m). In addition, as at 30 June 2022, a continuing review event under the terms of the Facility Agreement with Pure Asset Management ('PURE') occurred as a result of the Group's trailing 6-month EBITDA to June 2022 falling below the covenant. Subsequent to year end, PURE agreed to waive their rights to the default by the Group.

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 financial report.

Further:

- the Group has raised \$5.0m of additional debt facility during the year;
- the Group's recorded positive financial results in the first 2 months of FY2023. The directors and management are confident that this will continue in FY2023. The Company is also working on a cost review program to streamline the activities; and
- the Group's major shareholder, EQM Holdings Pty Ltd, has confirmed that they will provide the financial support necessary for the Group to be able to continue its normal course of operations including paying its debts as and when they become payable for a period of 12 months from the date of signing the 30 June 2022 Full Year Report.

If the Group requires additional funding in the FY2023, this will be sourced through the existing shareholder to support its operations. To date, the Directors have been successful in obtaining financing through the issuance of the loan and therefore, there is a strong expectation that alternate sources of funding can be sourced. As such, the financial report has been prepared on a going concern basis.

### 2.4 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.

### 2.5 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 financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

### 2.6 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. Judgements, estimates and assumptions which are material to the Group's financial report are discussed below and in the following notes:

- Revenue and other income
- Income taxes
- Trade and other receivables
- Inventories
- Property, plant and equipment
- Goodwill and other intangible assets
- Borrowings
- Lease liabilities
- Provisions
- Warrants reserve

## 2.7 Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Oldfields Holdings Limited and all of the subsidiaries. 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. Where necessary, accounting policies of subsidiaries are 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.

## 2.8 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 obtained, whereby the fair value of the identifiable assets acquired and liabilities assumed, including contingent liabilities, are recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

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.

## 2.9 Foreign Currency

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.

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.

## 2.10 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.

## 2.11 Leases

### The Group as a Lessee

The Group makes the use of leasing arrangements principally for the provision of the warehouse/ office space, forklift equipment, motor vehicles and printers. The group does not enter into sale and leaseback arrangements.

All the leases are negotiated on an individual basis and contain a wide variety of different term and conditions such as purchase options and escalation clauses. The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Only motor vehicle lease contracts contain both lease and non-lease components. These non-lease components are usually associated with servicing and repair contract.

### Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease.

The incremental borrowing rate is the estimated rate that the Group would have to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined.

The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under lease can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review.

The measurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss.

The right-of-use asset is adjusted for all other lease modifications. The Group has elected to account for low-value assets using the practical expedients. These leases related to mobile IT devices such as computer monitors, laptops and mobile telephones. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### **The Group as a Lessor**

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## **2.12 Financial Instruments**

### **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Classification and Subsequent Measurement**

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- Held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at 30 June 2022, the Group's financial assets consist of cash and cash equivalents and trade and other receivables which are measured at amortised cost in accordance with the above accounting policy.

Non-derivative financial liabilities are initially measured at fair value and 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.

As at 30 June 2022, the Group's financial liabilities consist of trade and other payables, finance lease and borrowings liabilities which are measured at amortised cost in accordance with the above accounting policy.

### 2.13 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.

### 2.14 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 its 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.

### 2.15 Other Accounting Policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.

## 3. 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, painter's tools, garden sheds and outdoor storage systems.

(ii) **Scaffolding**

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

### 3.1 Operating Segment Performance

#### Year ended 30 June 2022

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
<b>Revenue</b>				
Sale of goods	6,287	3,087	-	9,374
Hire and erection revenue	-	15,100	-	15,100
<b>Total segment revenue</b>	<b>6,287</b>	<b>18,187</b>	<b>-</b>	<b>24,474</b>
Government grants and subsidies	4	-	326	330
Other income	1	246	9	256
<b>Total other revenue</b>	<b>5</b>	<b>246</b>	<b>335</b>	<b>586</b>
<b>Total revenue and other income</b>	<b>6,292</b>	<b>18,433</b>	<b>335</b>	<b>25,060</b>
<b>Adjusted segment EBITDA</b>	<b>(39)</b>	<b>(223)</b>	<b>(692)</b>	<b>(954)</b>
Depreciation and amortisation expense	(8)	(536)	(56)	(600)
Depreciation and amortisation of right-of-use assets	(196)	(1,232)	(174)	(1,602)
Finance costs	-	-	(654)	(654)
Unrealised foreign exchange loss	-	-	(5)	(5)
<b>Profit (loss) before income tax</b>	<b>(243)</b>	<b>(1,991)</b>	<b>(1,581)</b>	<b>(3,815)</b>
Income tax expense	-	(219)	-	(219)
<b>Profit (loss) after income tax</b>	<b>(243)</b>	<b>(2,210)</b>	<b>(1,581)</b>	<b>(4,034)</b>

## Year ended 30 June 2021

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
<b>Revenue</b>				
Sale of goods	6,009	4,299	(1,586)	8,722
Hire and erection revenue	-	13,994	-	13,994
<b>Total segment revenue</b>	<b>6,009</b>	<b>18,293</b>	<b>(1,586)</b>	<b>22,716</b>
Government grants and subsidies	-	-	1,176	1,176
Other income	3	4	-	7
<b>Total other revenue</b>	<b>3</b>	<b>4</b>	<b>1,176</b>	<b>1,183</b>
<b>Total revenue and other income</b>	<b>6,012</b>	<b>18,297</b>	<b>(410)</b>	<b>23,899</b>
<b>Adjusted segment EBITDA</b>	<b>(74)</b>	<b>(39)</b>	<b>276</b>	<b>163</b>
Depreciation and amortisation expense	(6)	(899)	(25)	(930)
Depreciation and amortisation of right-of-use assets	(172)	(1,078)	(222)	(1,472)
Finance costs	(48)	(159)	(33)	(240)
Unrealised foreign exchange loss	-	-	183	183
<b>Profit (loss) before income tax</b>	<b>(300)</b>	<b>(2,175)</b>	<b>179</b>	<b>(2,296)</b>
Income tax expense	-	(290)	-	(290)
<b>Profit (loss) after income tax</b>	<b>(300)</b>	<b>(2,465)</b>	<b>179</b>	<b>(2,586)</b>

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.

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.

### 3.2 Operating Segment Assets and Liabilities

#### As at 30 June 2022

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Segment assets	3,055	16,669	(938)	18,786
Segment liabilities	(4,192)	(7,423)	(5,555)	(17,170)
<b>Segment net assets</b>	<b>(1,137)</b>	<b>9,246</b>	<b>(6,493)</b>	<b>1,616</b>

#### 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)
<b>Segment net assets</b>	<b>(1,056)</b>	<b>11,066</b>	<b>(4,955)</b>	<b>5,055</b>

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.

## 4. Revenue and Other Income

The Group derives the following types of revenue:

	2022 \$'000	2021 \$'000
<b>Revenue from contracts with customers</b>		
Sale of goods	9,374	8,722
Revenue from services	10,048	8,169
<b>Revenue from operating leases</b>		
Hire of equipment	5,052	5,825
<b>Total sales revenue</b>	<b>24,474</b>	<b>22,716</b>
<b>Other income</b>		
Government grants and subsidies	330	1,176
Other income	256	7
<b>Total other income</b>	<b>586</b>	<b>1,183</b>
<b>Total revenue and other income from continuing operations</b>	<b>25,060</b>	<b>23,899</b>

### 4.1 Recognition and Measurement

Oldfields is predominately a provider of scaffolding equipment for hire or sale and paint tools for sales with revenue primarily generated via dry hire, project hire or sale.

The company generates revenue via provision of equipment for hire, services and the sales or product. Revenue generated from hire or equipment only is referred to as “dry hire” revenue.

Project hire or “wet hire” revenue includes “dry hire” revenue plus labour services, cartage services. Consumable sales and/or other services which are recognised over time as services can be staged progressively as they are rendered. These forms of contracts may vary in scope; however, all project hire has one common performance obligation, being the provision of scaffolding structures to the customer which includes the scaffolding equipment, the labour on installation and dismantling, cartage (transport to and from the customer) and any ancillary materials that are required to fulfill the obligation.

To determine whether to recognise revenue, the Group follow a 5-step process:

- 1) Identifying the contract with a customer
- 2) Identifying the performance obligations
- 3) Determining the transaction price
- 4) Allocating the transaction price to the performance obligations
- 5) Recognising revenue when/as performance obligation(s) are satisfied

#### **Hire of equipment**

Scaffolding equipment are rented to customers under operating leases with rental periods averaging one month to less than one year.

The rental can be arranged as dry hire where only equipment is provided to the customer and revenue is recognised at fixed rates over the period of hire; or as part of a project hire where Oldfields supplies labour and cartage services between warehouse and building sites.

Revenue recognition on equipment hire commences once scaffold equipment is either collected by the customer, delivered to the customer or once a scaffolding structure has been certified to be safe and access granted to customers or control otherwise passes to a customer.

Revenue is recognised over straight-line bases over the life of the hire agreements per *AASB 16 leases*.

#### **Labour and cartage services**

Revenue from providing scaffolding labour in installation and dismantling, and equipment cartage, being transport to and from the customer, are recognised at one or more points in time as services can be staged progressively as they are rendered.

Revenue is recognised based on the actual service provided to the end of the reporting period because the customer receives and uses the benefits simultaneously.

Labour and cartage services revenue are recognized over time under *AASB 15 Revenue from Contracts with Customers*.

#### **Scaffold equipment and Paint Tool sales and other services**

Revenue from sales are measured as the transaction price net of returns, trade discounts and volume rebates.

Revenue is recognized when control of the goods or services are transferred to customers which is generally upon delivery to or collection by the customer depending on the contract with customer.

Discounts are recognised as a reduction in revenue until management determine that it is highly probable that no significant reversal of revenue will occur.

Revenue recognition of consumable sales and other services are at a point in time when control passes which is typically upon delivery or collection as under *AASB 15 Revenue from Contracts with Customers*.

#### **Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group satisfies all attached conditions. The Company has received Job Saver and Job Keeper grants which have been reported under other income on the consolidated statement of profit or loss.

#### **Other income**

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



## 5. Expenses

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

	Note	2022 \$'000	2021 \$'000
<b>Inventory recognised as an expense during the year</b>		16,243	12,704
<b>Depreciation expense on property, plant and equipment</b>	10	556	911
<b>Depreciation expense on right-of-use assets</b>	11	1,602	1,472
<b>Amortisation expense</b>	12	44	19
<b>Employee benefits expense</b>		10,859	11,348
<b>Finance costs:</b>			
Interest paid to related parties	29	35	6
Interest paid to unrelated parties		372	9
Hire purchase charges		54	62
Facility fee		29	-
Interest on operating leases		164	163
		<b>654</b>	<b>240</b>

## 6. Income Taxes

	2022 \$'000	2021 \$'000
<b>Income tax expense recognised in the income statement</b>		
<i>Current tax</i>		
Current tax on profits for the year	219	278
<b>Total current tax expense</b>	<b>219</b>	<b>278</b>
<i>Deferred income tax</i>		
Increase in deferred tax assets	(13)	(7)
Decrease in deferred tax liabilities	13	19
<b>Total deferred tax expense</b>	<b>-</b>	<b>12</b>
<b>Total income tax expense</b>	<b>219</b>	<b>290</b>
<b>Tax reconciliation</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
(Loss) profit before income tax expense	<b>(3,815)</b>	<b>(2,296)</b>
Tax at the Australian tax rate of 25% (2021: 26%)	(954)	(597)
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Non-allowable items	5	2
Revaluation of derivative element of DSLN not deductible	8	-
	<b>(941)</b>	<b>(595)</b>
<i>Less tax effect of:</i>		
Net tax effect loss (profit) from overseas operations	177	(139)
Current year tax loss not brought to account	983	1,024
<b>Income tax expense</b>	<b>219</b>	<b>290</b>
<b>Unrecognised tax assets</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Tax losses</b>		
<i>Tax losses for which no deferred tax asset has been recognised</i>		
Operating losses	15,639	14,656
Capital losses	273	273
<b>Potential tax benefit @ 25% (2021: 26%)</b>	<b>3,978</b>	<b>3,882</b>
<b>Current tax assets</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Income tax assets	95	85
<b>Total current tax assets</b>	<b>95</b>	<b>85</b>
<b>Current tax liabilities</b>	<b>\$'000</b>	<b>\$'000</b>
Income tax liabilities	-	97
<b>Total current tax liabilities</b>	<b>-</b>	<b>97</b>

## 6. Income Taxes (continued)

	2022 \$'000	2021 \$'000
<b>Deferred tax liability in the statement of financial position</b>		
Employee benefits	(34)	(34)
Expected credit losses	30	40
Fixed assets	(185)	(208)
Other	(9)	25
<b>Net deferred tax liabilities</b>	<b>(198)</b>	<b>(177)</b>

### 6.1 Recognition and Measurement

The income tax expense 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.

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.

### 6.2 Key Judgements, Estimates and Assumptions: Unrecognised Deferred Tax Benefits

The Group has unrecognised benefits relating to carried forward losses. 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 availability of the tax losses is also subject to the Group satisfying either the continuity of ownership or same business test.

## 7. Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
Cash on hand	1	2
Cash at bank	1,309	904
Short term deposits	116	116
<b>Total cash and cash equivalents</b>	<b>1,426</b>	<b>1,022</b>

#### Reconciliation to statement of cash flows

	2022 \$'000	2021 \$'000
Cash and cash equivalents	1,426	1,022
<b>Balances per statement of cash flows</b>	<b>1,426</b>	<b>1,022</b>

## 7. Cash and Cash Equivalents (continued)

Reconciliation of cash flow from operating activities with loss after income tax	2022 \$'000	2021 \$'000
Loss after income tax	(4,034)	(2,586)
<i>Adjustment for non cash items:</i>		
Depreciation and amortisation	2,202	2,402
Net (gains) losses on disposal of property, plant and equipment	-	228
Write off of plant and equipment	(373)	(172)
Amortisation on equity component of warrants	33	-
Stock adjustments	(24)	5
<i>Changes in operating assets and liabilities:</i>		
(Increase) decrease in trade and other receivables	(2,429)	105
(Increase) decrease in inventories	(388)	356
Increase (decrease) in trade payables and accruals	2,938	795
Increase (decrease) in income taxes payable	(71)	60
Increase (decrease) in deferred taxes payable	(13)	7
Increase (decrease) in provisions	88	58
<b>Cash flow from operating activities</b>	<b>(2,071)</b>	<b>1,258</b>

### 7.1 Recognition and Measurement

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 short-term borrowings in current liabilities in the statement of financial position, but included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## 8. Trade and Other Receivables

	2022 \$'000	2021 \$'000
<b>CURRENT</b>		
Trade receivables	5,660	3,554
Expected credit losses	(691)	(597)
Net trade receivables	4,969	2,957
Other receivables	568	356
Prepayments	981	776
<b>Total current trade and other receivables</b>	<b>6,518</b>	<b>4,089</b>

Trade receivables past due but not impaired	2022 \$'000	2021 \$'000
Up to 3 months	2,077	1,229
3 to 6 months	98	-
Over 6 months	-	-
<b>Total</b>	<b>2,175</b>	<b>1,229</b>

In using practical expedient, the Group uses its historical experiences, external indicators, and forward-looking information to calculate the ECL using a provision matrix. 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 expected credit loss 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. Trade receivables that were past due relate to a number of independent customers for whom there is no recent history of default.

### 8.1 Expected Credit Loss and Risk Exposure

Ageing analysis of impaired trade receivables	2022 \$'000	2021 \$'000
1 to 3 months	3	252
4 to 6 months	38	176
Over 6 months	650	169
<b>Total</b>	<b>691</b>	<b>597</b>

Movement in expected credit losses	2022 \$'000	2021 \$'000
Opening balances	597	520
Expected credit losses recognised during the year	165	119
Receivables written off during the year as uncollectable	(71)	(42)
<b>Closing balance</b>	<b>691</b>	<b>597</b>

#### Other Receivables

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

## 8.1 Expected Credit Loss and Risk Exposure (continued)

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

### 8.2 Recognition and Measurement

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### 8.3 Key Judgements, Estimates and Assumptions: Provision for Impairment of Receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

## 9. Inventories

	2022 \$'000	2021 \$'000
Raw materials - at cost	716	238
Work in progress - at cost	214	294
Finished goods - at net realisable value	2,389	2,059
Goods in transit - at cost	442	197
Provision for obsolete stock	(21)	(220)
<b>Total inventories</b>	<b>3,740</b>	<b>2,568</b>

### 9.1 Recognition and Measurement

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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### 9.2 Key Judgements, Estimates and Assumptions: 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.

## 10. Property, Plant and Equipment

### Year ended 30 June 2022

	Note	Hire Equipment \$'000	Plant and Equipment \$'000	Leasehold Improve- ments \$'000	Total \$'000
Cost		7,906	2,604	493	11,003
Accumulated depreciation		(5,659)	(2,277)	(461)	(8,397)
<b>Net book amount</b>		<b>2,247</b>	<b>327</b>	<b>32</b>	<b>2,606</b>
Opening net book amount		2,812	256	51	3,119
Exchange differences		-	18	7	25
Additions		154	84	3	241
Disposals and impairment		(246)	23	-	(223)
Depreciation expense	5	(473)	(54)	(29)	(556)
<b>Closing net book amount</b>		<b>2,247</b>	<b>327</b>	<b>32</b>	<b>2,606</b>

### Year ended 30 June 2021

	Note	Hire Equipment \$'000	Plant and Equipment \$'000	Leasehold Improve- ments \$'000	Total \$'000
Cost		8,824	2,475	482	11,781
Accumulated depreciation		(6,012)	(2,219)	(431)	(8,662)
<b>Net book amount</b>		<b>2,812</b>	<b>256</b>	<b>51</b>	<b>3,119</b>
Opening net book amount		3,454	101	15	3,570
Exchange differences		-	(2)	(3)	(5)
Additions		401	228	64	693
Disposals and impairment		(204)	(24)	-	(228)
Depreciation expense	5	(839)	(47)	(25)	(911)
<b>Closing net book amount</b>		<b>2,812</b>	<b>256</b>	<b>51</b>	<b>3,119</b>

## 10. Property, Plant and Equipment (continued)

### 10.1 Recognition and Measurement

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.

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 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 Group commencing from the time the asset is held ready for use. The estimated useful lives in the current period is as follows:

Hire equipment	5-15 years
Plant and equipment	3-15 years
Leasehold improvements	shorter of lease term or useful life

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

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.

### 10.2 Key Judgements, Estimates and Assumptions: Estimation of Useful Lives of Asset

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. 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. 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.

## 11. Right of Use Assets

### Year ended 30 June 2022

	Note	Premises and Buildings \$'000	Motor Vehicles \$'000	Total \$'000
Cost		6,526	2,751	9,277
Accumulated depreciation		(3,834)	(2,043)	(5,877)
<b>Total right-of-use assets</b>		<b>2,692</b>	<b>708</b>	<b>3,400</b>
Opening net book amount		2,974	495	3,469
Modifications and reassessments		1,075	458	1,533
Depreciation	5	(1,357)	(245)	(1,602)
<b>Closing net book amount</b>		<b>2,692</b>	<b>708</b>	<b>3,400</b>

### Year ended 30 June 2021

	Note	Premises and Buildings \$'000	Motor Vehicles \$'000	Total \$'000
Cost		5,451	2,293	7,744
Accumulated depreciation		(2,477)	(1,798)	(4,275)
<b>Total right-of-use assets</b>		<b>2,974</b>	<b>495</b>	<b>3,469</b>
Opening net book amount		2,525	350	2,875
Modifications and reassessments		1,697	369	2,066
Depreciation	5	(1,248)	(224)	(1,472)
<b>Closing net book amount</b>		<b>2,974</b>	<b>495</b>	<b>3,469</b>

The consolidated entity leases premises and buildings for its offices, warehouses and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases motor vehicles under agreements of between three to seven years.

### 11.1 Recognition and Measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## 12. Goodwill and Other Intangible Assets

### Year ended 30 June 2022

	Note	Goodwill \$'000	Patents, Trademarks & Licences \$'000	Software & Other \$'000	Total \$'000
Cost		838	249	545	1,632
Accumulated amortisation and impairment		-	(176)	(455)	(631)
<b>Net book amount</b>		<b>838</b>	<b>73</b>	<b>90</b>	<b>1,001</b>
Opening net book amount		838	73	125	1,036
Exchange differences		-	-	(2)	(2)
Additions		-	-	11	11
Amortisation charge	5	-	-	(44)	(44)
<b>Balance at 30 June 2022</b>		<b>838</b>	<b>73</b>	<b>90</b>	<b>1,001</b>

### Year ended 30 June 2021

	Note	Goodwill \$'000	Patents, Trademarks & Licences \$'000	Software & Other \$'000	Total \$'000
Cost		838	249	531	1,618
Accumulated amortisation and impairment		-	(176)	(406)	(582)
<b>Net book amount</b>		<b>838</b>	<b>73</b>	<b>125</b>	<b>1,036</b>
Opening net book amount		838	73	3	914
Additions		-	-	141	141
Amortisation charge	5	-	-	(19)	(19)
<b>Balance at 30 June 2021</b>		<b>838</b>	<b>73</b>	<b>125</b>	<b>1,036</b>

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

	2022 \$'000	2021 \$'000
South and Western Australian scaffold branches	838	838

### 12.1 Recognition and Measurement

#### 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.

#### Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. 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.

Patents, trademarks and licences are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses (refer to note 18). Patents and trademarks are amortised over their useful lives ranging from 5 to 10 years.

### 12.2 Key Judgements, Estimates and Assumptions: Goodwill and Other Indefinite Life Intangible Assets

The Group tests annually, or more frequently if changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered impairment (refer to note 18). Recoverable amounts of cash generating units have been determined based on value-in use calculations using assumptions including discount rates based on the current cost of capital and growth rates of estimated future cash flows.

## 13. Trade and Other Payables

	2022 \$'000	2021 \$'000
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Trade payables	5,342	3,236
Sundry payables and accrued expenses	1,771	1,214
Deferred revenue	484	253
Net GST payables	244	200
<b>Total trade and other payables</b>	<b>7,841</b>	<b>4,903</b>

### 13.1 Recognition and Measurement

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.

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

## 14. Borrowings

		2022 \$'000	2021 \$'000
<b>CURRENT</b>			
<i>Unsecured liabilities</i>			
Bank loans		250	-
Loan facility with Pure Asset Management		3,864	-
Shareholder loan		41	275
Other financing liabilities		153	115
<b>Total borrowings</b>		<b>4,308</b>	<b>390</b>
<b>Net loan facility with Pure Asset Management</b>			
	Note	2022 \$'000	2021 \$'000
Loan facility with Pure Asset Management		5,000	-
Fair value of attaching warrant	20	(692)	-
Transaction costs		(600)	-
		3,708	-
Amortisation of finance components (warrants and transaction costs)		62	-
Interest accrued		94	-
<b>Net loan facility with Pure Asset Management</b>		<b>3,864</b>	<b>-</b>

The PURE Facility is over a 4-year term with 9.75% interest rate, interest payable every 3 months. Transaction costs are costs that are directly attributable to the loan and include loan origination fees, legal and advisory fees and warrants. 40,000,000 unlisted and detached warrants were issued to PURE (25,155,000 on 22 April 2022 and 14,845,000 on 30 June 2022) with exercise price of \$0.105 each. These have been valued using Monte Carlo simulation method. The balance of unamortised fair value of attaching warrants and transaction costs of \$1,265,967 is offset against the borrowings of \$5,000,000. The security of the facility is a first-ranking general security over all assets of Oldfields Holdings Limited and its subsidiaries.

During the period, a continuing review event under the terms of the Facility Agreement with Pure Asset Management occurred as a result of the Group's trailing 6-month EBITDA to June 2022 ("relevant Period;") falling below the covenant. Pure Asset Management has continued to be supportive to the Group and they waived their rights to the above default.

### 14.1 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 method.

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

### 14.2 Key Judgements, Estimates and Assumptions: Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## 15. Lease Liabilities

		2022 \$'000	2021 \$'000
<b>CURRENT</b>			
Lease liability		794	1,477
<b>Total current lease liabilities</b>		<b>794</b>	<b>1,477</b>
<b>NON-CURRENT</b>			
Lease liability		2,961	2,309
<b>Total non-current lease liabilities</b>		<b>2,961</b>	<b>2,309</b>
<b>Total lease liabilities</b>		<b>3,755</b>	<b>3,786</b>
<b>Lease amounts included in the statement of cashflows</b>			
		2022 \$'000	2021 \$'000
Lease payments		969	1,190
Interest expense (included in finance costs)		164	163
<b>Total amount paid</b>		<b>1,133</b>	<b>1,353</b>
<b>Expenses relating to low value asset leases</b>		<b>38,518</b>	<b>38,407</b>

The Group has elected not to recognise a lease liability for low value leases (where an asset is valued at \$5,000 or lower per AASB16). Payments for these are recognised on a straight-line basis as an expense in the statement of profit or loss. Low value assets are predominately forklifts. The undiscontinued cash flows on the remaining lease term at the reporting date are as follows:

## 15. Lease Liabilities (continued)

Maturity Analysis	2022 \$'000	2021 \$'000
<i>Contractual undiscounted cash flows</i>		
Within one year	37,166	38,518
Later than one year but not later than five years	5,395	81,080
Later than five years	-	-
<b>Total contractual undiscounted cash flows</b>	<b>42,561</b>	<b>119,598</b>

### 15.1 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.

### 15.2 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.

## 16. Provisions

	2022 \$'000	2021 \$'000
<b>CURRENT</b>		
Employee leave obligations	993	929
<b>Total current provisions</b>	<b>993</b>	<b>929</b>
<b>NON-CURRENT</b>		
Employee leave obligations	75	51
<b>Total non-current provisions</b>	<b>75</b>	<b>51</b>
<b>Total provisions</b>	<b>1,068</b>	<b>980</b>

Amounts not expected to be settled within the next 12 months	2022 \$'000	2021 \$'000
Current leave obligations expected to be settled after 12 months	346	362

### 16.1 Recognition and Measurement

#### 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.

#### Short-Term Employee Benefits

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

#### Employee Benefits - Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.



### Other Long-Term Employee Benefits

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

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

### 16.2 Key Estimate: Employee Entitlement Provisions - Long Service Leave

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 have been taken into account.

## 17. Financial Risk Management

### 17.1 Categories of Financial Assets and Liabilities

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 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 \$'000	2021 \$'000
<b>Financial Assets</b>			
Cash at bank	7	1,309	904
Short term deposits	7	116	116
Net trade receivables	8	4,969	2,957
<b>Total financial assets</b>		<b>6,394</b>	<b>3,977</b>

	Note	2022 \$'000	2021 \$'000
<b>Financial Liabilities</b>			
<i>Financial liabilities at amortised cost</i>			
Trade and other payables	13	7,841	4,903
Borrowings	14	4,308	390
Lease liabilities	15	3,755	3,786
<b>Total financial liabilities</b>		<b>15,904</b>	<b>9,079</b>

### 17.2 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.

### 17.3 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 end of month after invoice date.

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 8.

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 8.

## (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;
- 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Financial assets - cash flows realisable</b>								
Cash at bank	1,309	904	-	-	-	-	1,309	904
Short term deposits	116	116	-	-	-	-	116	116
Trade and other receivables	4,969	2,957	-	-	-	-	4,969	2,957
<b>Total anticipated inflows</b>	<b>6,394</b>	<b>3,977</b>	-	-	-	-	<b>6,394</b>	<b>3,977</b>
<b>Financial liabilities due for payment</b>								
Bank overdrafts and bank loans	250	-	-	-	-	-	250	-
Other loan facility	6,950	-	-	-	-	-	6,950	-
Trade and other payables	7,841	4,903	-	-	-	-	7,841	4,903
Shareholder loan	41	275	-	-	-	-	41	275
Other financing liabilities	153	115	-	-	-	-	153	115
Lease liabilities	794	1,477	2,961	2,309	-	-	3,755	3,786
<b>Total expected outflows</b>	<b>16,029</b>	<b>6,770</b>	<b>2,961</b>	<b>2,309</b>	-	-	<b>18,990</b>	<b>9,079</b>
<b>Net (outflow) / inflow on financial instruments</b>	<b>(9,635)</b>	<b>(2,793)</b>	<b>(2,961)</b>	<b>(2,309)</b>	-	-	<b>(12,596)</b>	<b>(5,102)</b>

## 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 16 for further details.

## (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:

	2022			2021		
	Weighted Average Interest Rate	Balance \$'000	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Shareholder loan	-	41	0%	10%	275	69%

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
+/- 2% in interest rates	-	5	-	5

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 Position are carried at amounts that approximate net fair values.

## 18. Impairment of Non-Financial 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 the 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 the standard (AASB 116).

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.

The Group tests whether goodwill for the South and Western Australia scaffold branches cash generating unit (CGU) has suffered any impairment on an annual basis. The recoverable amount of a 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.

### Sensitivity

The calculation of value-in-use is most sensitive to changes in the discount rate. 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% or the revenue growth was decreased by 3%, goodwill would not need to be impaired with all other assumptions remaining constant, for the South and Western Australia scaffold branches CGU.

### 18.1 Key Judgements, Estimates and Assumptions: Impairment

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

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

	Growth Rate Year 1-5	Terminal Period Growth Rate	Discount Rate
<b>2022</b>			
South and Western Australian scaffold branches	3.0%	3%	15%
<b>2021</b>			
South and Western Australian scaffold branches	7.5%	3%	16%

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.

## 19. Share Capital

	2022 Number	2022 \$'000	2021 Number	2021 \$'000
Share capital at the beginning of the reporting period	167,706,527	26,086	167,706,527	26,086
Shares issued during the year	-	-	-	-
Transaction costs on raising capital	-	-	-	-
<b>Share capital at the end of the reporting period</b>	<b>167,706,527</b>	<b>26,086</b>	<b>167,706,527</b>	<b>26,086</b>

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.

### 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 14.

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.

During the year, the Group secured a \$5.0m growth finance facility from Pure Asset Management and the gearing ratio increased to 80%. However, it is still the management strategy to control the capital of the Group and to identify opportunities to reduce the Group's gearing ratio. The gearing ratios for the year ended 30 June 2022 and 30 June 2021 are as follows:

## 19. Share Capital (continued)

	Note	2022 \$'000	2021 \$'000
Total borrowings	14	4,308	390
Add: Lease liabilities	15	3,755	3,786
Less: Cash and cash equivalents	7	(1,426)	(1,022)
<b>Net debt</b>		<b>6,637</b>	<b>3,154</b>
Total equity		1,616	5,055
<b>Total capital</b>		<b>8,253</b>	<b>8,209</b>
<b>Gearing ratio</b>		<b>80%</b>	<b>38%</b>

## 20. Reserves

	2022 \$'000	2021 \$'000
Warrant reserve	692	-
Foreign currency translation	84	(8)
<b>Total reserves</b>	<b>776</b>	<b>(8)</b>

### Warrant reserve

The warrant reserve records the fair value of the warrants issued. Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. Warrants reserve is non-distributable and will be transferred to share premium account upon the exercise of warrants. Balance of warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to accumulated profits.

40,000,000 unlisted and detached warrants were issued to Pure Asset Management (25,155,000 on 22 April 2022 and 14,845,000 on 30 June 2022) with exercise price of \$0.105 each. These have been valued at \$692,000 using Monte Carlo simulation method. These costs have been offset against the associated borrowings of \$5,000,000 (refer to note 14).

### Foreign currency translation reserve

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

### 20.1 Key Judgements, Estimates and Assumptions: Warrant Reserve

Warrants issued by the Group in connection with loans are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Where the warrants meet the definition of equity, they are initially measured at fair value and recognised in a warranty reserve. Subsequent to initial recognition, the liability is fair valued until the warrant is issued, with gains or losses recognised in the profit or loss. The warrants have been fair valued using Monte Carlo simulation method. A degree of judgement is required in establishing fair values when inputs used are not derived from observable markets.

## 21. Dividends

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

During the year \$189,000 (2021: \$265,000) of fully franked dividends were paid to a related party of the Group by Adelaide Scaffold Solutions Pty Limited to Sibley Investments Pty Limited. Sibley Investments Pty Limited is the minority interest holder in the Group. Adelaide Scaffold Solutions Pty Limited is a controlled entity of Oldfields Holdings Limited.

	Parent Entity	
	2022 \$'000	2021 \$'000
<b>Franking account balance</b>		
The amount of the franking credits available for subsequent reporting periods are:		
Balance at the end of the reporting period	1,086	1,086
Franking credits that will arise from the payment of the amount of provision for income tax	-	-
<b>Franking credits available for subsequent reporting periods based on a tax rate of 30%</b>	<b>1,086</b>	<b>1,086</b>

### 21.1 Recognition and Measurement

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

## 22. Earnings per Share

	2022 \$'000	2021 \$'000
<b>a) Reconciliation of earnings to profit or loss</b>		
Loss for the year	(4,034)	(2,586)
Less: Profit attributable to non-controlling equity interest	(262)	(260)
<b>Earnings used to calculate basic EPS</b>	<b>(4,296)</b>	<b>(2,846)</b>

## 22. Earnings per Share (continued)

	2022 Number	2021 Number
<b>b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS</b>	<b>167,706,527</b>	<b>167,706,527</b>
	2022 Cents	2021 Cents
<b>c) Earnings per share (basic and diluted)</b>	<b>(2.562)</b>	<b>(1.697)</b>
	2022 Cents	2021 Cents
Earnings used to calculate basic EPS	(4,296)	(2,846)
Less PURE interest charged during the year	(66)	-
Add PURE interest for a full year	287	-
<b>d) Earnings used to calculate diluted EPS</b>	<b>(4,075)</b>	<b>(2,846)</b>
	2022 Number	2021 Number
<b>e) Number of shares used to calculate diluted EPS</b>	<b>207,706,527</b>	<b>167,706,527</b>
	2022 Cents	2021 Cents
<b>d) Anti-diluted EPS</b>	<b>(1.962)</b>	<b>(1.697)</b>

### 22.1 Calculation of 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.

40,000,000 unlisted and detached warrants were issued to PURE Asset Management with exercise price of \$0.105 each.

## 23. Accumulated Losses

	Note	2022 \$'000	2021 \$'000
Movements in accumulated losses were as follows:			
Opening balance at 1 July		(21,023)	(18,172)
Net profit for the year		(4,034)	(2,586)
Dividends paid	21	(189)	(265)
<b>Closing balance at 30 June</b>		<b>(25,246)</b>	<b>(21,023)</b>
Accumulated losses attributable to:			
Members of the parent entity		(26,061)	(21,765)
Non-controlling interest		815	742
<b>Total accumulated losses at 30 June</b>		<b>(25,246)</b>	<b>(21,023)</b>

## 24. 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		Non-Controlling Interests	
		2022 %	2021 %	2022 %	2021 %
<b>Subsidiaries of Oldfields Holdings Limited:</b>					
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%
Advance Scaffold Solutions Pty Limited	Australia	100%	100%	0%	0%
Oldfields Supply Chain Solutions Pty Ltd	Australia	100%	100%	0%	0%
Oldfields Finance Solutions Pty Ltd	Australia	100%	100%	0%	0%
Oldfields Funds Management Pty Ltd	Australia	100%	100%	0%	0%
<b>Subsidiaries of Oldfields Advance Scaffold Pty Limited:</b>					
Adelaide Scaffold Solutions Pty Limited	Australia	60%	60%	40%	40%
<b>Subsidiaries of Oldfields Administration Pty Limited:</b>					
National Office Service Trust	Australia	100%	100%	0%	0%
<b>Subsidiaries of Oldfields International Pty Limited:</b>					
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%
Oldfields Engineering Technology (Henan) Co Limited	China	100%	100%	0%	0%
Oldfields Engineering Technology (Shenzhen) Co Limited	China	100%	100%	0%	0%
Foshan Advcorp Scaffold Limited	China	100%	100%	0%	0%
<b>Subsidiaries of Oldfields Finance Solutions Pty Ltd:</b>					
Oldfields Financing Pty Ltd	Australia	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.

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 Peekarra Street, Regency Park, South Australia.

	2022 \$'000	2021 \$'000
<b>Summarised financial information of subsidiaries with material non-controlling interests</b>		
<b>Summarised financial position - Adelaide Scaffold Solutions Pty Ltd</b>		
Current assets	3,306	1,717
Non-current assets	2,504	2,681
Current liabilities	(2,212)	(908)
Non-current liabilities	(731)	(806)
<b>Net assets</b>	<b>2,867</b>	<b>2,684</b>
Carrying amount of non-controlling interests	815	742
<b>Summarised financial performance - Adelaide Scaffold Solutions Pty Ltd</b>		
Revenue	6,395	5,720
Profit after tax	655	650
Other comprehensive income after tax	-	-
<b>Total comprehensive income</b>	<b>655</b>	<b>650</b>
Profit attributable to non-controlling interests	262	260
<b>Summarised financial information of subsidiaries with material non-controlling interests</b>		
<b>Summarised cash flow information - Adelaide Scaffold Solutions Pty Ltd</b>		
Net cash from operating activities	862	222
Net cash used in investing activities	(286)	(693)
Net cash used in financing activities	(385)	(195)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>191</b>	<b>(666)</b>
Distributions paid to non-controlling interests	189	265

## 24.1 Recognition and Measurement

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Group as at 30 June 2022 and the results of all controlled entities for the year then ended. Control exists when the consolidated entity has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists.

## 25. Commitments and Contingencies

### 25.1 Capital Commitments

The Group does not have any capital expenditure commitments at reporting date (nil in 2021).

### 25.2 Contingencies

The Group does not have any significant contingent liabilities or contingent assets as 30 June 2022 or 30 June 2021.

## 26. Events After the Reporting Period

There are no matters or circumstances that have arisen since 30 June 2022 which significantly affect or could affect the operations of the Group in future years.

## 27. Parent Entity Disclosures

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

	2022 \$'000	2021 \$'000
<b>Statement of Financial Position</b>		
<b>ASSETS</b>		
Current assets	6,698	3,682
Non-current assets	2,274	2,840
<b>TOTAL ASSETS</b>	<b>8,972</b>	<b>6,522</b>
<b>LIABILITIES</b>		
Current liabilities	5,214	5,705
Non-current liabilities	4,530	701
<b>TOTAL LIABILITIES</b>	<b>9,744</b>	<b>6,406</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>(772)</b>	<b>116</b>
<b>EQUITY</b>		
Issued capital	26,086	26,086
Reserves	692	-
Accumulated losses	(27,550)	(25,970)
<b>TOTAL EQUITY</b>	<b>(772)</b>	<b>116</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
<b>Profit (loss) before tax</b>	<b>(1,580)</b>	<b>(38)</b>
<b>Total comprehensive profit (loss)</b>	<b>(1,580)</b>	<b>(38)</b>

### Guarantees

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

### Contingent liabilities

The Parent Entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

### Contractual commitments

The Parent Entity did not have any contractual commitments as at 30 June 2022 or 30 June 2021.

## 28. 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:

	2022 \$	2021 \$
<b>BDO* and related network firms</b>		
<b>Audit services</b>		
Audit and review of financial statements	156,630	128,000
<b>Non-audit services</b>		
Taxation compliance services	37,200	18,700
Other services	-	-
	37,200	18,700
<b>Total auditors' remuneration</b>	<b>193,830</b>	<b>146,700</b>

\* The BDO entity performing the audit of the group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd on 1 August 2020. The disclosures include amounts received or due and receivable by BDO East Coast Partnership, BDO Audit Pty Ltd and their respective related entities.

## 29. Related Party Transactions

### Ultimate controlling entity

Oldfields Holdings Limited (incorporated in Australia).

### Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel. The following were key management personnel (KMP) at the end of the reporting period:

Richard John Abela	Chief Executive Officer
Jonathan William Doy	Non-executive Director
David John Baird	Non-executive Director
Jie Ma	Non-executive Director
Ka Lung Alan Lee	Chief Financial Officer and Company Secretary

	2022 \$	2021 \$
<b>Details of remuneration</b>		
Short-term employee benefits	641,194	623,839
Post-employment benefits	41,905	41,058
<b>Total KMP compensation</b>	<b>683,099</b>	<b>664,897</b>

	2022 \$	2021 \$
<b>Transactions with related parties</b>		
The following transactions occurred with related parties:		
Dividends paid to Sibley Investments Pty Ltd, holder of minority interest in Adelaide Scaffold Solutions Pty Ltd	189,000	265,000
Interest paid to WL & CJ Timms, being a related party of William Lewis Timms (non-executive director)	-	-

	2022 \$	2021 \$
<b>Loans from related parties</b>		
Loan payable to Wayne Ding, being a related party of EQM Holdings Pty Limited (the Group's major shareholder)		
Beginning of the year	274,740	-
Loan received	-	269,000
Loan repayments made	(269,000)	-
Interest charged	23,435	5,740
Interest paid	-	-
<b>End of the year</b>	<b>29,175</b>	<b>274,740</b>
Loan payable to EQM Holdings Pty Limited (the Group's major shareholder)		
Beginning of the year	-	-
Loan received	200,000	-
Loan repayments made	(200,000)	-
Interest charged	11,998	-
Interest paid	-	-
<b>End of the year</b>	<b>11,998</b>	<b>-</b>

### 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.

The loan from EQM Holdings Pty Ltd is repayable on demand and interest rate at 10% per annum.



### 30. Deed of Cross Guarantee

A deed of cross guarantee between Oldfields Holdings Limited and its wholly owned subsidiaries was enacted during the financial year ended 30 June 2001. An assumption deed to include Adelaide Scaffold Solutions Pty Ltd was enacted during the year ended 30 June 2005. Under the deed, Oldfields Holdings Limited guarantees to support the liabilities and obligations of the entities listed in note 24, being members of the Closed Group. The financial information of the Closed Group is the same as that for the consolidated group.

### 31. Changes in Liabilities Arising from Financing Activities

#### Year ended 30 June 2022

	Opening Balance	Cash flows	Non-cash Changes		Closing Balance
			Inter- company	Other	
	\$'000	\$'000	\$'000	\$'000	\$'000
Finance leases	3,786	(969)	-	938	3,755
Borrowings	390	3,885	33	-	4,308
<b>Total</b>	<b>4,176</b>	<b>2,916</b>	<b>33</b>	<b>938</b>	<b>8,063</b>

#### Year ended 30 June 2021

	Opening Balance	Cash flows	Non-cash Changes		Closing Balance
			Inter- company	Other	
	\$'000	\$'000	\$'000	\$'000	\$'000
Finance leases	3,082	(1,190)	-	1,894	3,786
Borrowings	122	269	6	(7)	390
<b>Total</b>	<b>3,204</b>	<b>(921)</b>	<b>6</b>	<b>1,887</b>	<b>4,176</b>

# 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 2 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 2022 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
3. there are reasonable grounds to believe that the Company and its controlled entities identified in note 24 to the financial statements will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between Oldfields Holdings Limited and its controlled entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
4. 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 for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors:



---

**Jonathan Doy**

Dated: 2 October 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of Oldfields Holdings Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Oldfields Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

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

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Going concern

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>For the year ended 30 June 2022, the Group reported a loss after tax of \$4,034k and a net current asset deficiency of \$2,157k. As disclosed in Note 2.3, the Directors have disclosed their considerations regarding their conclusion that the going concern basis of accounting is appropriate.</p> <p>The assessment of Going Concern is largely based on management's forecasts. The forecasts include assumptions about future cash flows which are uncertain in timing and amount.</p> <p>Our assessment of going concern was considered a key audit matter due to the judgements and assumptions made by management in preparing their cash flow forecasts.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Evaluating and challenging the key assumptions used in the cash flow forecasts prepared by management.</li> <li>• Evaluating the historical accuracy of management's past forecasts and perform a sensitivity analysis on the cash flow forecasts.</li> <li>• Assessing the payment deferral arrangements obtained with one aged creditor comprising significant outstanding amounts and its impacts on the cash flow forecasts.</li> <li>• Obtaining written confirmation from Pure Asset Management (PAM) on waiver of default event due to breach of loan covenant.</li> <li>• Obtaining written confirmation from the Group's majority shareholder of their intent to provide financial support to the Group as required to ensure the Group is able to meet its debts as and when they become payable for a period of at least 12 months from the date of this report.</li> <li>• Assessing the Group's majority shareholder's capacity to provide financial support to the Group if required.</li> <li>• Evaluating the adequacy and accuracy of disclosures made by management related to the use of the going concern basis of accounting in preparation of the financial report.</li> </ul>

## Revenue Recognition

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 4, the Group recognised revenue of \$24,474,000 during the financial year ended 30 June 2022 (2021: \$22,716,000)</p> <p>Revenue recognition was considered a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The overall significance of revenue to the Group as a key performance indicator; and</li> <li>• Management recognise revenue based on the multiple performance obligations and variable consideration identified within the individual contracts which involves management judgements and estimates</li> </ul>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the relevant controls over the revenue cycle throughout the Group, with a particular focus on those controls relating to manual journal entities to recognise unearned revenue (contract liabilities).</li> <li>• Critically evaluated the revenue recognition policies for all material revenue sources (hire revenue and sale of products) including reviewing any new sales agreements entered during the year to identify any variable consideration/multiple performance obligation arrangements to ensure revenue was recognised in accordance with relevant accounting standards.</li> <li>• Performed substantive analytical procedures over the key revenue streams, comparing against expectations developed from discussions with management and supporting information.</li> <li>• Substantively testing a sample of revenue transactions throughout the financial year by tracing sales invoices to supporting sales documentation, delivery documentation and cash receipts.</li> <li>• Reviewing the appropriateness of management’s judgements associated with the fair value consideration expected to be received by reference to the terms of individual contracts.</li> <li>• Performed detailed cut-off testing to ensure that revenue transactions around the year-end had been recorded in the correct period; and</li> <li>• Assessing the appropriateness of the disclosures in Note 4.</li> </ul>

### *Accounting for loan facility with detached warrants*

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the financial year, the Group has entered a loan facility with Pure Asset Management (PAM) with detached warrants.</p> <p>The Accounting for the loan facility and detached warrants is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance of the debt, being the largest liability on the Group's balance sheet; and</li> <li>• The accounting for this transaction is inherently complex and involves significant management judgements and estimates in applying the requirements of the relevant accounting standards.</li> </ul> <p>Details of the loan facility and detached warrants are disclosed in Note 14 and Note 20.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining and reviewing the facility agreements, warrant deeds and other relevant supporting documents to understand the terms and conditions of the debt facility.</li> <li>• Obtaining and reviewing management's assessment of the accounting treatment of the loan facility and detached warrants.</li> <li>• Together with BDO valuation specialists, assess the reasonableness of the inputs used by management in the valuation of the warrants issued.</li> <li>• Reviewing disclosures in the financial report to determine their adequacy and completeness.</li> </ul>

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

#### **Report on the Remuneration Report**

##### **Opinion on the Remuneration Report**

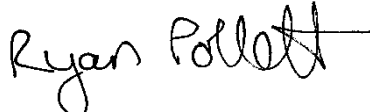
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Oldfields Holding Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

##### **Responsibilities**

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.

**BDO Audit Pty Ltd**

BDO  


Ryan Pollett  
Director

Sydney, 2 October 2022

# 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, 4<sup>th</sup> Edition published by the ASX Corporate Governance Council in July 2020.

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 reporting period 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 adopted
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	The recommended practice is adopted
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 recommended practice is adopted
Recommendation 2.5	The chair of the board should be independent and not the CEO	The recommended practice is adopted
Recommendation 2.6	Have a program for inducting new directors	The recommended practice is adopted
Recommendation 3.1	Articulate and disclose its value	The recommended practice is adopted
Recommendation 3.2	Establish and disclose a code of conduct	The recommended practice is adopted
Recommendation 3.3	Have a whistleblower policy	The recommended practice is adopted
Recommendation 3.4	Have an anti-bribery and corruption policy	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	Have a process to verify the integrity of periodic report it releases to the market	The recommended practice is adopted
Recommendation 5.1	Establish written policies designed to ensure compliance with its continuous disclosure obligations	The recommended practice is adopted



Recommendation	Recommended Practice	Oldfields' Practice
Recommendation 5.2	The Board receive copies of all material market announcements promptly after they have been made	The recommended practice is adopted
Recommendation 5.3	Copy of a new and substantive investor or analyst presentation should be released on the ASX platform ahead of the presentation	The recommended practice is adopted
Recommendation 6.1	Provide information about itself and its governance via its website	The recommended practice is adopted
Recommendation 6.2	Design and implement investor relations program for communication with investors	The recommended practice is adopted
Recommendation 6.3	Policies and processes in place to encourage security holder participation	The recommended practice is adopted
Recommendation 6.4	Ensure all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands	This recommended practice is adopted
Recommendation 6.5	Provide security holders option to receive communication electronically	This recommended practice is adopted
Recommendation 7.1	The board should establish a remuneration committee; or 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
Recommendation 8.2	Disclosure of policies and practices of remuneration of non-executive and executive directors as well as other senior executives	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

Current 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 on 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 is 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 where possible.

The Group operates in the traditionally male dominated industry of construction and related services and is therefore under-represented by women in its workforce. However, the Company has adopted the diversity policy and adhere to its gender reporting requirements.

The measurable objective set for the reporting period to achieve gender diversity included:

- Ensure recruiting processes adhere to the Company's diversity policy;

- Formal policy to provide flexible working arrangements;
- Promote awareness about the importance of diversity and inclusion;
- Formal policy in relation to sexual harassment and discrimination prevention; and
- Analyse and report the ratio of women to men in the workforce regularly.

	Female	Male
Board	-	4
Senior Executives	1	5
Employee – others	21	87

**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.

**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 BE EFFECTIVE AND ADD VALUE**

The Board currently has four directors, comprising two independent non-executive directors, including the Chairman, one non-executive director 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**

The Board has established a Nomination Committee and it is responsible for developing and recommending to the Board:

- Nomination of Non-Executive and Executive Directors;
- Nomination of Company Secretary;
- Nomination of the Chief Executive Officer and Chief Financial Officer;

The Board has a nomination committee which has three members, comprising two independent non-executive directors, including the Chair, and one non-executive director. It has a documented charter and the members and qualification of the Nomination Committee are disclosed in the Directors' Report.

Nominations are considered by the committee and are only accepted if the candidate has the relevant skills required to assist the business in achieving its strategic objectives.

**Recommendation 2.2 – Have a board skills matrix**

This has been established and as follows:

Leadership and Strategy	Executive leadership Global experience Mergers & Acquisitions Industry diversity Growth strategy development and implementation Health, Safety and Environment Investor Relations
Industry	Technical Market and customer knowledge Product development
Financial acumen	Financial literacy

Governance	Financial risk management Governance and regulation Policy development Legal and compliance
------------	--

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

The Company has two independent directors 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 were two independent directors.

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

- Jie Ma: currently a non-executive director and substantial shareholder; and
- Richard John Abela: currently an executive director and shareholder.

The Board manages the risk of having a half 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*

The Chair is an independent non-executive director.

**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. INSTIL A CULTURE of acting lawfully, ethically and responsibly**

**Recommendation 3.1** – *Articulate and disclose its values.*

The value of the Group is disclosed on page 5 of the Annual Report.

**Recommendation 3.2** – *Establish and disclose a Code of Conduct for its directors, senior executives and employees; and ensure the Board or a Committee of the Board is informed of any material breaches.*

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.

**Recommendation 3.3** – *Establish and disclose a Whistleblower policy; and ensure the Board or a Committee of the Board is informed of any material incidents reported under the policy.*

The Board has a whistleblower policy and is available on the Company's webpage.

**Recommendation 3.4** – *Establish and disclose an Anti-bribery and corruption policy; and ensure the Board or a Committee of the Board is informed of any material incidents reported under the policy.*

The Board has an *Anti-bribery and corruption* policy and 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 three 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 of three non-executive directors comprising two independent non-executive directors and one non-executive director;
- is chaired by an independent chairman, who is also the Chair of the Board;
- has three members. Given the size and structure of the Board, as discussed in Recommendation 2.1, the Board feels that three members all 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 may also meet in private, with management without the external auditor and, at a separate time, with the external auditor without management where considered necessary.

**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:

- Jonathan William Doy (Chairman);
- David John Baird; and
- Jie Ma.

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** – *Disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

The Group has established its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

## Principle 5. MAKE TIMELY AND BALANCED DISCLOSURE

**Recommendation 5.1** – *Establish and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1*

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

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

**Recommendation 5.2** – *The Board receives copies of all material market announcements promptly after they have been made.*

The Board currently review and approve all material market announcements prior to their release.

**Recommendation 5.3** – *Copy of a new and substantive investor or analyst presentation should be released on the ASX platform ahead of the presentation*

The Group has established procedures to ensure copy of a new and substantive investor or analyst presentation should be released on the ASX platform ahead of the presentation

## Principle 6. RESPECT THE RIGHTS OF SECURITY HOLDERS

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

The Group has a comprehensive website for security holders, included in this website are full governance policies. The Group will regularly review and update the website and contents therein as deemed necessary.

**Recommendation 6.2** – *Establish an investor relations program that facilitates effective two-way communication with investors*

The Group has developed and implemented an investor communication strategy. The Group promotes effective communication with investors and encourages effective participation at the Group's general meetings.

The Group will also provide regular news flow to keep investors and media updated and engaged.

**Recommendation 6.3** – *Disclose how the Company facilitates and encourages participation at meetings of security holders*

The Group has a Shareholder Communication program in place which includes information on how it facilitates and encourages participation at meetings of security holders.

**Recommendation 6.4** – *All substantive resolutions at a meeting of security holders are decided by a poll rather by a show of hands*

The Company will ensure that at least all substantive resolutions at a meeting of security holders are decided by a poll.

**Recommendation 6.5** – *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 – The board should establish a risk committee***

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 of 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.

The Board is also in the process of establishing a risk committee and anticipated to be set up in the next 3 to 6 months.

### ***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 and as required, the Board will outsource the internal audit function to a company that specialises in this work. The company will review certain areas of controls and compliance and report back to the Chief Executive Officer and/or Chief Financial Officer 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 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 three members, comprising two independent non-executive directors, including the Chair, and one non-executive director. It has a documented charter and the members and qualification of the Remuneration Committee are disclosed in the Directors' Report.

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 as well as other senior executives***

The Group has clearly differentiated the remuneration structure of Executive and Non-Executive Directors as well as other senior executives. 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 risk management policies and internal compliance and control systems in accordance with Principle 7 of the ASX Principles of Good Corporate Governance.

## 2. Responsibility

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

## 3. Risk Management Monitoring

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

### 3.1. Standard Operating Procedures (SOP's)

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

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

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

### 3.2. External Audits

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

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

The Group engages with qualified external advisors annually in relation to asset protection. Where possible the Board adopts the most practical and affordable insurance policies suitable to protect major assets of the Group.

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

### 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 may 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.

### 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
<b>Board of Directors</b>		
Direct risk response or accept material risk	Review and approve risk mitigation strategies or accept risk	Oversight of framework and sufficiency of reporting
<b>Chief Executive Officer (CEO)</b>		
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
<b>Chief Financial Officer (CFO)</b>		
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
<b>Finance Department</b>		
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 September 2022.

## A. Substantial Shareholders

The number of substantial shareholders and their associates are set out below:

Shareholder	Ordinary Shares	
	Number Held	Percentage of Issued Shares
EQM Holdings Pty Ltd <The EQM Holdings A/c>	85,530,329	51.000%
Mr Williams Lewis Timms & Mrs Carolyn Jane Timms	39,384,528	23.484%
Mr Brian Garfield Bengener and Bengener Superannuation Fund A/c	9,765,268	5.823%

## B. Distribution of Equitable Security Holders

Holding Ranges	Number of Shareholders
1 – 1,000	69
1,001 – 5,000	76
5,001 – 10,000	18
10,001 – 100,000	57
100,001 – and over	46
	<b>266</b>

There were 23 holders of less than a marketable parcel of ordinary shares.

## C. Equity Security Holders

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

Shareholder	Ordinary Shares	
	Number Held	Percentage of Issued Shares
1 EQM Holdings Pty Ltd <The EQM Holdings A/c>	85,530,329	51.000%
2 Mr Williams Lewis Timms & Mrs Carolyn Jane Timms	39,384,528	23.484%
3 Bengener Superannuation Pty Limited <Bengener Super Fund A/c>	5,843,268	3.484%
4 Dixon Trust Pty Limited	4,000,000	2.385%
5 Mr Rodney Boyce Hass	3,467,670	2.068%
6 Shandora One Pty Ltd <Bengener Super Fund A/c>	2,338,000	1.394%
7 Lymgrange Pty Limited	2,205,500	1.315%
8 Hext Family Investments Pty Ltd	2,205,500	1.315%
9 Mr Orlando Berardino Di Julio & Ms Catharina Maria Koopman	2,179,887	1.300%
10 Starball Pty Ltd	1,782,486	1.063%
11 Mr Brian Garfield Bengener	1,584,000	0.945%
12 Dr Gordon Bradley Elkington	1,527,108	0.911%
13 Mr Paul John Simpson	1,200,000	0.716%
14 Citicorp Nominees Pty Limited	1,169,106	0.697%
15 Oceanridge Limited	1,017,050	0.606%
16 Man Investments (NSW) Pty Ltd <AMC Super Fund A/c>	715,096	0.426%
17 Seven Bob Investments Pty Ltd <R F Cameron Super Fund A/c>	693,000	0.413%
18 Toveken Properties Pty Ltd	584,394	0.348%
19 Maparilly Pty Ltd <Mansfield Super Fund A/c>	573,962	0.342%
20 Bond Street Custodians Limited <AAAPRE - CB0210 A/c>	500,627	0.299%
	<b>158,501,511</b>	<b>94.511%</b>

## D. Unquoted Equity Securities

There are 40,000,000 unlisted and detached warrants issued to PURE Asset Management.

## E. 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.

## F. On-Market Buy Back

There is no current on-market buy back.

# Corporate Directory

## Directors

### **Mr Michael Micallef**

CEO, Managing Director

### **Mr Jonathan William Doy**

Independent Non-Executive Director

### **Mr David John Baird**

Independent Non-Executive Director

### **Mr Jie Ma**

Non-Executive Director

### **Mr Richard John Abela**

Executive Director

## Company Secretary

### **Mr Ka Lung Alan Lee**

## Notice of Annual General Meeting

The date, time and place of the Annual General Meeting of Oldfields Holdings Limited is to be confirmed.

## Website

[www.oldfields.com.au](http://www.oldfields.com.au)

## Share Register

### **Boardroom Pty Ltd**

Level 12, 225 George Street

Sydney NSW 2000

1300 737 760 (in Australia)

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

## Stock Exchange Listing

Oldfields Holdings Limited (ASX Code: OLH)

## 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