



Oldfields Holdings Limited ABN 92 00 307 988

Appendix 4D

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1. Results for announcement to the market

	Dec-22 \$'000	Dec-21 \$'000	Movement Up / (Down)	
			\$'000	%
Revenues from ordinary activities	20,098	11,959	8,139	68.1
EBITDA	1,824	(98)	1,922	(1,961.2)
Profit (Loss) before revaluation of derivative financial instruments & income tax	489	(1,750)	2,239	(127.9)
Profit (Loss) from ordinary activities after tax attributable to the owners	469	(1,801)	2,270	(126.0)
Profit (Loss) after tax attributable to members of the parent entity	251	(1,977)	2,228	(112.7)

2. Review of operations and financial results

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

Also refer to the Directors' Report in the accompanying Half-Year Financial Report for details on the result, segment information and operating performance for the half-year ended 31 December 2022.

For further detail please also refer to the media release dated 28 February 2023.

3. Dividends

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

4. Net tangible assets per security

	Dec-22 Cents per Share	Dec-21 Cents per Share
Net assets per security	1.406	1.946
Net tangible asset backing per ordinary security	0.856	1.372

5. Control gained or lost over entities

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

6. Details of associates and joint venture entities

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

7. Review status

The Oldfields Holdings Limited Half-Year Financial Report for the period ended 31 December 2022 has been subject to review by our external auditors. A copy of the Independent Review Report to the Owners of Oldfields Holdings Limited is included in the accompanying Half-Year Report.

.....
Ka Lung Alan Lee (Company Secretary)

Dated: 28 February 2023

For personal use only

Oldfields Holdings Limited

ABN 92 00 307 988

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Contents

Section	Page
Directors' Report	3
Auditor's Independent Declaration	5
Half-Year Financial Report	6
Independent Auditor's Review Report	20
Corporate Directory	22

For personal use only

Directors' Report

Your Directors present their report on the consolidated entity (referred to herein as the "Group") consisting of Oldfields Holdings Limited (referred to herein as the "Company" or "Parent Entity") and its controlled entities for the half-year ended 31 December 2022.

Directors

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

Michael Micallef	Chief Executive Officer and Managing Director
Jonathan William Doy	Independent Non-Executive Director and Interim Chairman
David John Baird	Independent Non-Executive Director
Jie Ma	Non-Executive Director
Richard John Abela (resigned 5 January 2023)	Executive Director
Ka Lung Alan Lee	Company Secretary

Principal Activities

The principal activities of the Group during the period were:

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

Significant Changes to Activities

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

Review of Operations and Financial Results

Operating Results

The financial results for the 6 months to 31 December 2022 have shown a substantial improvement from the prior corresponding period.

The Group's profit before interest, tax, depreciation and amortisation ("EBITDA") for the period was \$1.82M (2021: \$0.01M loss).

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

	Dec-22 \$'000	Dec-21 \$'000	Dec-20 \$'000	Dec-19 ⁽¹⁾ \$'000	Dec-18 \$'000
Sales revenue	20,098	11,959	11,054	12,239	12,305
Profit/(loss) after income tax	469	(1,801)	(1,128)	(487)	(214)
Income tax expense	20	51	100	91	154
Profit/(loss) before income tax	489	(1,750)	(1,028)	(396)	(60)
Gain on early redemption of deferred senior loan note	-	-	-	(470)	-
Revaluation of deferred senior loan note	-	-	-	(237)	13
Profit/(loss) before income tax, gain on early redemption and revaluation	489	(1,750)	(1,028)	(1,103)	(47)
Interest income	(14)	-	-	(14)	-
Depreciation and amortisation expense	171	681	548	461	438
Depreciation and amortisation of right-of-use assets	417	742	597	606	-
Net finance costs	704	232	113	65	194
Unrealised foreign exchange (gains) losses	57	(3)	(21)	5	3
EBITDA	1,824	(98)	209	20	588

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

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

The Group's revenue from continuing operations for the half-year ended 31 December 2022 was \$20.1M (2021: \$12.0M), an increase of 68.1% compared with the prior period. Consumer (Paint Applications) division revenue increased by \$0.3M (10.4%) while the Scaffold division revenue also increased by \$7.8M (89.7%).

Revenue from the Scaffold Major Projects stream for the period was \$7.0M and other income (project management fees) of \$1.6M.

The Group's net operating profit for the Group after providing for income tax amounted to \$0.47M for the half-year ended 31 December 2022, significantly higher than \$1.80M loss for the same period last year. This financial year has seen the business continues to benefit from the recovery of the COVID-19 pandemic. Gross profit margins increased from 37.7% to 47.5% due to return of better management of costs and improvement in hire rates and volume.

Net cash provided by operating activities was \$0.6M for the six months ended 31 December 2022, compared to \$0.4M for the six months ended 31 December 2021. The Group continues to have a strong focus on working capital management by lowering inventory within the supply chain and improving payment terms for both debtors and creditors.

Financial Position

The net assets of the Group have increased by \$0.9M from \$1.6M as at 30 June 2022 to \$2.5M as at 31 December 2022.

A key area of focus for the 2023 financial year will be to continue to increase profitability and the net asset position of the Group.

Significant Changes in State of Affairs

There have been no other significant changes in the state of affairs during or since the half-year ended 31 December 2022.

Dividends

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

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 as well as 1,000,000 unlisted share options were issued to the CEO and Managing Director of the Company with exercise price of \$0.05 each.

Events after the Reporting Period

On 20 February 2023, the Group raised \$1.45M from a share placement to EQM Holdings Pty Ltd atf the DMCA Trust.

There are no further matters or circumstances that have arisen since 31 December 2022 which significantly affect or could affect the operations of the Group in future years.

Rounding

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

Auditor's Independence Declaration

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

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



.....
Michael Micallef

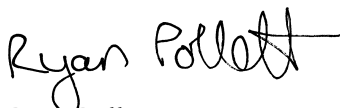
Dated: 28 February 2023

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

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

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



Ryan Pollett
Director

BDO Audit Pty Ltd

Sydney, 28 February 2023

For personal use only

Half-Year Financial Report

Page

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10

Notes to the Interim Consolidated Financial Statements	11
---	-----------

Directors' Declaration	19
-------------------------------	-----------

General Information

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

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

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

8 Farrow Road

Campbelltown, NSW, 2560, Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the interim financial report. The interim financial report was authorised for issue with a resolution of Directors on 28 February, 2023. The Directors have the power to amend and reissue the interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

	Note	Dec-22 \$'000	Dec-21 \$'000
Sales revenue	3	20,098	11,959
Cost of sales		(10,561)	(7,449)
Gross profit		9,537	4,510
Other income	3	1,623	335
Expenses:			
Depreciation and amortisation expense		(171)	(681)
Depreciation and amortisation of right-of-use assets		(417)	(742)
Other expenses from ordinary activities:			
Sales and distribution expenses		(6,159)	(2,887)
Marketing expenses		(26)	(60)
Occupancy expenses		(752)	(224)
Administrative expenses		(2,442)	(1,769)
Finance costs		(704)	(232)
Profit (loss) before income tax		489	(1,750)
Tax expense		(20)	(51)
Net profit (loss) from continuing operations		469	(1,801)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(120)	100
Other comprehensive income for the period, net of tax		(120)	100
Total comprehensive income for the period		349	(1,701)
Net profit (loss) for the period attributable to:			
Members of the parent entity		251	(1,977)
Non-controlling interest		218	176
Total net profit (loss) for the period		469	(1,801)
Comprehensive income attributable to:			
Members of the parent entity		131	(1,877)
Non-controlling interest		218	176
Total comprehensive income for the period		349	(1,701)
	Note	Cents	Cents
Earnings per share from continuing operations attributable to members of the parent entity			
Basic earnings per share	5 (c)	0.141	(1.179)
Diluted earnings per share	5 (f)	0.156	(1.179)

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	Dec-22 \$'000	Jun-22 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		933	1,426
Trade and other receivables		11,208	6,518
Inventories		3,938	3,740
Current tax assets		56	95
TOTAL CURRENT ASSETS		16,135	11,779
NON-CURRENT ASSETS			
Property, plant and equipment		3,658	2,606
Right-of-use asset		3,231	3,400
Intangible assets		975	1,001
TOTAL NON-CURRENT ASSETS		7,864	7,007
TOTAL ASSETS		23,999	18,786
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		12,370	7,841
Borrowings	7	4,592	4,308
Lease liabilities	8	843	794
Current tax liabilities		-	-
Employees benefit obligations		941	993
TOTAL CURRENT LIABILITIES		18,746	13,936
NON-CURRENT LIABILITIES			
Lease liabilities	8	2,604	2,961
Deferred tax liabilities		78	198
Employees benefit obligations		77	75
TOTAL NON-CURRENT LIABILITIES		2,759	3,234
TOTAL LIABILITIES		21,505	17,170
NET ASSETS		2,494	1,616
EQUITY			
Issued capital		26,715	26,086
Warrant reserve		692	692
Share options reserve		12	-
Other reserves		(36)	84
Accumulated losses		(25,810)	(26,061)
Parent interest		1,573	801
Non-controlling interest		921	815
TOTAL EQUITY		2,494	1,616

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2022

	Issued Capital \$'000	Warrant Reserve \$'000	Share Options Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Subtotal \$'000	Non- Controlling Interests \$'000	Total \$'000
Balance at 1 July 2022	26,086	692	-	84	(26,061)	801	815	1,616
Comprehensive income								
Profit for the period	-	-	-	-	251	251	218	469
Other comprehensive income for the period	-	-	-	(120)	-	(120)	-	(120)
Total comprehensive income for the period	-	-	-	(120)	251	131	218	349
Transactions with owners, in their capacity as owners								
Shares issued during the year	655	-	-	-	-	655	-	655
Transaction costs	(26)	-	-	-	-	(26)	-	(26)
Options issued	-	-	12	-	-	12	-	12
Dividends provided for or paid	-	-	-	-	-	-	(112)	(112)
Total transactions with owners and other transfers	629	-	12	-	-	641	(112)	529
Balance at 31 December 2022	26,715	692	12	(36)	(25,810)	1,573	921	2,494

For the half-year ended 31 December 2021

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2022

	Note	Dec-22 \$'000	Dec-21 \$'000
OPERATING ACTIVITIES			
Receipts from customers		17,003	12,229
Payments to suppliers and employees		(15,696)	(11,774)
		1,307	455
Interest received		14	-
Grants received		-	330
Other income received		14	5
Finance costs		(617)	(232)
Income tax paid		(102)	(158)
Net cash provided by operating activities		616	400
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,057)	(313)
Net cash used in investing activities		(1,057)	(313)
FINANCING ACTIVITIES			
Proceeds from borrowings		478	669
Proceeds from issue of shares		525	-
Repayment of borrowings		(238)	(197)
Loan from related party		-	200
- proceeds from related party borrowings	10	-	200
Repayment of lease liabilities		(705)	(565)
Dividends paid by controlled entities to non-controlling interests		(112)	(90)
Net cash provided by (used in) financing activities		(52)	17
Net increase (decrease) in cash and cash equivalents		(493)	104
Net increase (decrease) in cash and cash equivalents		(493)	104
Cash and cash equivalents at beginning of the period		1,426	1,022
Cash and cash equivalents at end of the period	4	933	1,126

Notes to the Interim Consolidated Financial Statements

		Page
Note 1	Summary of Significant Accounting Policies	12
Note 2	Segment Information	13
Note 3	Revenue and Other Income	14
Note 4	Cash and Cash Equivalents	15
Note 5	Earnings Per Share	15
Note 6	Commitments and Contingencies	16
Note 7	Borrowings	16
Note 8	Lease Liabilities	17
Note 9	Events After the Reporting Period	17
Note 10	Related Party Transactions	17

For personal use only

Notes to the Interim Consolidated Financial Statements

1. Summary of Significant Accounting Policies

This general purpose interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, as appropriate for for-profit oriented entities. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim report unless otherwise stated.

Statement of Compliance

This general purpose interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements arising under the Australian Stock Exchange Listing Rules and *Corporations Act 2001*.

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

Basis of Preparation

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

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

Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The interim financial statements are presented in Australian dollars which is the Parent Entity's functional currency.

Rounding

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

Key Judgements, Estimates and Assumptions

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2022. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Going Concern

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 6 months period ended 31 December 2022, the Group recorded a net profit after tax of \$0.5M (31 December 2021: loss of \$1.8M loss), net cash inflow from operating activities of \$0.6M (31 December 2021: \$0.4M) and was in a net current liability position of \$2.6M (30 June 2022: \$2.2M). Within the net liability position is a loan from PURE Asset Management ("PURE") of \$3.9M. During the period, a continuing review event under the terms of the Facility Agreement with PURE occurred, which they have 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 \$0.5M of equity from an entitlement offer in November 2022;
- the Group's further raised \$1.45M from a share placement on 20 February 2023;
- the Group's recorded positive financial results for the 6 months to December 2022. 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
- Directors have been successful in obtaining further equity funding from shareholders and therefore, there is a strong expectation that alternate sources of funding can be sourced if and when required.

As such, the financial report has been prepared on a going concern basis.

2. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by Chief Operating Decision Maker (CODM), being the Board of Directors, in assessing performance and in determining the allocation of resources.

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

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

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

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

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

The primary operating segments during the current financial period were:

- (i) **Consumer Products**
The consumer products segment imports, manufactures and distributes paint brushes, paint rollers and painter's tools.
- (ii) **Scaffolding**
The scaffolding segment manufactures and distributes scaffolding and related equipment. In addition, this segment is engaged in hiring scaffolding and access solutions to the building maintenance and construction industries.

2.1 Operating Segment Performance

Six months to 31 December 2022

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Revenue				
Sale of goods	3,600	1,821	-	5,421
Hire and erection revenue	-	14,677	-	14,677
Total segment revenue	3,600	16,498	-	20,098
Government grants and subsidies	-	-	-	-
Interest income	14	-	-	14
Other income	-	1,603	6	1,609
Total other revenue	14	1,603	6	1,623
Total revenue and other income	3,614	18,101	6	21,721
Adjusted segment EBITDA	1	2,907	(1,084)	1,824
Depreciation and amortisation expense	(5)	(133)	(33)	(171)
Depreciation and amortisation of right-of-use assets	(50)	(362)	(5)	(417)
Interest income	14	-	-	14
Net finance costs	(84)	(123)	(497)	(704)
Unrealised foreign exchange loss	-	-	(57)	(57)
Profit (loss) before income tax	(124)	2,289	(1,676)	489
Income tax expense	-	(20)	-	(20)
Profit (loss) after income tax	(124)	2,269	(1,676)	469

Six months to 31 December 2021

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

2.1 Operating Segment Performance (continued)

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

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

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

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

2.2 Operating Segment Assets and Liabilities

As at 31 December 2022

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Segment assets	3,891	21,874	(1,766)	23,999
Segment liabilities	(5,152)	(10,162)	(6,191)	(21,505)
Segment net assets (liabilities)	(1,261)	11,712	(7,957)	2,494

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)
Segment net assets (liabilities)	(1,137)	9,246	(6,493)	1,616

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

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

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

3. Revenue and Other Income

The Group derives the following types of revenue:

	Dec-22 \$'000	Dec-21 \$'000
Sales revenue		
Sale of goods	5,421	4,557
Hire and erection revenue	14,677	7,402
Total sales revenue	20,098	11,959
Other income		
Government grants and subsidies	-	330
Interest income	14	-
Other revenue #	1,609	5
Total other income	1,623	335
Total revenue and other income from continuing operations	21,721	12,294

Other revenue represents project management fee income from the scaffold Major Project stream.

3.1 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

3.1 Recognition and Measurement (continued)

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 recognised 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.

4. Cash and Cash Equivalents

	Dec-22 \$'000	Jun-22 \$'000
Cash on hand	1	1
Cash at bank	932	1,309
Short term deposits	-	116
Total cash and cash equivalents	933	1,426

Reconciliation to cash flow statement

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

	Dec-22 \$'000	Dec-21 \$'000
Cash and cash equivalents	933	1,126
Balances per statement of cash flows	933	1,126

5. Earnings Per Share

	Dec-22 \$'000	Dec-21 \$'000
(a) Reconciliation of earnings to profit or loss		
Profit (Loss) for the period	469	(1,801)
Less: Profit attributable to non-controlling equity interest	(218)	(176)
Earnings used to calculate basic EPS	251	(1,977)

	Dec-22 Number	Dec-21 Number
(b) Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	177,417,486	167,706,527

	Dec-22 Cents	Dec-21 Cents
(c) Basic earnings per share	0.141	(1.179)

5. Earnings Per Share (continued)

	Dec-22 Cents	Dec-21 Cents
(d) Earnings used to calculate basic EPS	251	(1,977)
Less PURE interest charged during the period	(238)	-
Add PURE interest for the period	328	-
Earnings used to calculate diluted EPS	341	(1,977)
	Dec-22 Number	Dec-21 Number
(e) Number of shares used to calculate diluted EPS	218,417,486	167,706,527
	Dec-22 Cents	Dec-21 Cents
(f) Diluted earnings per share	0.156	(1.179)

5.1 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 as well as 1,000,000 unlisted share options were issued to the CEO and Managing Director of the Company with exercise price of \$0.05 each.

6. Commitments and Contingencies

There has been no significant movements in commitments or contingencies since the previous reporting period, being 30 June 2022.

7. Borrowings

	Dec-22 \$'000	Jun-22 \$'000
CURRENT		
<i>Secured liabilities</i>		
Bank loans	250	250
Loan facility with Pure Asset Management	3,937	3,864
Shareholder loan	41	41
Other financing liabilities	364	153
Total current borrowings	4,592	4,308
Total borrowings	4,592	4,308
	Dec-22 \$'000	Jun-22 \$'000
Net loan facility with Pure Asset Management		
Loan facility with Pure Asset Management	5,000	5,000
Fair value of attaching warrant	(692)	(692)
Transaction costs	(600)	(600)
	3,708	3,708
Amortisation of finance components (warrants and transaction costs)	225	62
Interest accrued	4	94
Net loan facility with Pure Asset Management	3,937	3,864

The PURE Facility is over a 4-year term to April 2026 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 September 2022 and the minimum cash balance ("relevant period") falling below the covenant. Pure Asset Management has continued to be supportive to the Group and they waive their rights to the default by the Group.

7.1 Recognition and Measurement

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

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

7.2 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.

8. Lease Liabilities

	Dec-22 \$'000	Jun-22 \$'000
CURRENT		
Lease liability	843	794
Total current lease liabilities	843	794
NON-CURRENT		
Lease liability	2,604	2,961
Total non-current lease liabilities	2,604	2,961
Total lease liabilities	3,447	3,755

	Dec-22 \$'000	Dec-21 \$'000
<i>Lease amounts included in the statement of cashflows</i>		
Lease payments	705	969
Interest expense (included in finance costs)	36	164
Total amount paid	741	1,133

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 undiscounted cash flows on the remaining lease term at the reporting date are as follows:

	Dec-22 \$'000	Jun-22 \$'000
Maturity Analysis		
<i>Contractual discounted cash flows</i>		
Within one year	5	37
Later than one year but not later than five years	-	5
Total contractual undiscounted cash flows	5	42
Expenses relating to low value asset leases	20	39

8.1 Recognition and Measurement

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

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

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

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

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

9. Events After the Reporting Period

On 20 February 2023, the Group raised \$1.45M from a share placement to EQM Holdings Pty Ltd atf the DMCA Trust.

There are no further matters or circumstances that have arisen since 31 December 2022 which significantly affect or could affect the operations of the Group in future years.

10. Related Party Transactions

Ultimate controlling entity

Oldfields Holdings Limited (incorporated in Australia).

	Dec-22 \$	Jun-22 \$
Transactions with related parties		
The following transactions occurred with related parties:		
Dividends paid to Sibley Investments Pty Ltd, holder of minority interest in Adelaide Scaffold Solutions Pty Ltd	112,000	189,000

10. Related Party Transactions (continued)

	Dec-22 \$	Jun-22 \$
Loans from related parties		
Loan payable to Wayne Ding, being a related party of EQM Holdings Pty Limited (the Group's major shareholder)		
Beginning of the year	29,175	274,740
Loan received	-	-
Loan repayments made	-	(269,000)
Interest charged	-	23,435
Interest paid	-	-
End of the year	29,175	29,175
Loan payable to EQM Holdings Pty Limited (the Group's major shareholder)		
Beginning of the year	11,998	-
Loan received	-	200,000
Loan repayments made	(90,000)	(200,000)
Interest charged	-	11,998
Interest paid	-	-
End of the year	(78,002)	11,998

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/to EQM Holdings Pty Ltd is repayable on demand and interest rate at 10% per annum.

For personal use only

Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes thereto are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



.....
Michael Micallef

Dated: 28 February 2023

For personal use only

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oldfields Holdings Limited

Report on the Half-Year Financial Report

Conclusion

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

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report


The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

BDO

Ryan Pollett
Director

Sydney, 28 February 2023

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

Company Secretary

Mr Ka Lung Alan Lee

Registered Office and Principal Place of Business

8 Farrow Road,
Campbelltown NSW 2560
02 4645 0700

Share Registry

Boardroom Pty Ltd

Level 12, 225 George Street

Sydney NSW 2000

1300 737 760 (in Australia)

www.boardroomlimited.com.au

Exchange

Oldfields Holdings Limited (ASX: OLH)

Website

www.oldfields.com.au

Auditor

BDO Audit Pty Ltd

Level 11, 1 Margaret Street

Sydney NSW 2000

For personal use only