

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 45th ANNUAL GENERAL MEETING of Oldfields Holdings Limited will be held at the Registered Office of the Company, 8 Farrow Road, Campbelltown, NSW at 3.30pm on Monday 29 November 2004.

BUSINESS

Item 1 – Annual Reports

To receive, consider and adopt the financial report of the company and the economic entity for the year ended 30 June 2004 and the reports by the directors and auditors thereon.

Item 2 – To Elect Two Directors

- a. Mr J R Westwood retires by rotation in accordance with the provisions of the constitution and being eligible, offers himself for re-election.
- b. Mr C C Hext retires by rotation in accordance with the provisions of the constitution and being eligible, offers himself for re-election.

Item 3 - General

To transact any business which may be lawfully brought forward.

By Order of the Board

C C HEXT

Director/Company Secretary
Dated
Sydney Australia

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2004

Directors

The names of directors in office at any time during or since the end of the year are:

John R Westwood
Anthony Mankarios
Thomas D J Love
Christopher C Hext
Hugh B Oldfield
James W Toland

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the economic entity during the financial year were:

- manufacturing, importing and marketing of paint brushes, paint rollers, painters' tools and spray guns;
- manufacturing exporting and marketing of outdoor storage systems, aviaries and pet homes;
- manufacturing and marketing of scaffolding and related equipment and;
- operation of a hire division, hiring scaffolding and related products to the building and construction industry.

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

Operating Results

The consolidated profit and extraordinary items of the economic entity after providing for income tax amounted to \$900,067

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

Ordinary dividend paid on 3rd November 2003, as recommended in last year's report	\$202,106
Preference dividends paid on 19th February 2004	\$157,500
Interim ordinary dividend of \$0.02 per share paid on 31st May 2004	\$204,738
Final ordinary dividend of \$0.03 per share recommended by the Directors	\$307,106

Review of Operations

The Directors are pleased to announce for the year ending 30 June 2004, the company made a net profit after tax related expenses attributable to members of \$900,067, which compares to a net profit in the 2003 year of \$1,788,793 and a loss in the 2002 year of \$4,302,969.

The actual revenues earned from ordinary operations being sales from paint applications Treco sheds and hire and sale of scaffolding equipment actually increased in the 2004 year by 2% while EBIT from these operations increased 40% to \$1,630,187.

This year's EBIT of \$1,630,187 for 2004 compares with \$2,897,935, in 2003 as the 2003 year result included a profit contribution as a result of fixed asset sales primarily the sale of 2 Farrow Road, Campbelltown, which contributed \$1,833,493 to EBIT in the 2003 year. This year's result is therefore a significant improvement on the ordinary trading profit results.

Revenue to June 2004 was \$24,409,710, compared to June 2003 revenue of \$36,691,964. Last year's revenue however, included six months revenue from PT Ace Oldfields, fixed asset sales and revenue derived from the remaining ladder business totalling \$12,774,618, all of which are excluded from the 2004 year result.

Dividends

The Board has agreed to pay a final dividend of 3 cents per share unfranked. This will occur on the 31st of January 2005 with the recording date being 29th of November 2004. Our company policy is to pay a dividend, where possible assuming the cash flow permits on an ongoing basis. Due to the cumulative prior years losses, it will be a period of time before a fully franked dividend is declared.

The operations reviewed by divisions, is as follows;

Paint Applications
Treco Garden Sheds
Oldfields Access Hire
PT Ace Oldfields (Indonesia)

Paint Application Products

General business was steady although the building industry can only be described as soft. The division was modestly profitable. The division won significant contracts that started later than expected during the second half of the year and this delay adversely affected anticipated results.

The paint applications industry in Australia is saturated with a number of suppliers who are also opting to import product from low cost countries

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

The paint applications industry in Australia is saturated with a number of suppliers who are also opting to import product from low cost countries.

With Oldfield's associate in South East Asia producing consistently reliable high quality product and with new superior branded ranges coming on line this year, a modest improvement in the results in the 2005 year is expected.

PT Ace Indonesia

This division is an associated entity that manufactures paint brushes and rollers in Indonesia. The division is profitable. It experienced a slight slow down during the early part of the year as a result of some lost contracts in the previous year in Australia. Revenue has increased since and it is currently experiencing strong growth. Current revenue is in line with budget. This division produces a high quality product made in South East Asia. The potential to penetrate new global markets is now being realised.

This entity was de-consolidated as at 1 January 2003 from Oldfields International Pty Limited, although it still retains a 49% shareholding.

The Directors feel because of new contracts to supply customers in global markets, the share of earnings under equity accounting for this associate will continue to improve into 2005

Access Hire

This was the company's star performer with revenues and profits continuing to grow. Although the building construction industry in Australia was soft, it experienced strong growth. Signs of further improvements are expected in 2005. We expect this will occur because of the continued growth in market share being derived from innovate new brands, such as Flexi-safe and Zippy-Scaf product lines.

The team was also successful in winning prestigious scaffolding works during the year. The team is very much performance driven with a focus on occupational health and safety related issues within its market and providing solutions through design and innovation to a variety of leading construction and hire clientele.

The company is continuing to invest in this division with the design patent for temporary flooring systems "Void Scaffolding" being the basis to make substantial investments. Additional investment was made by way of lease finance and fixed asset capital investment during the year. Oldfields Access Pty Limited is now the market leader in this technology and expects rapid growth in the market. It has produced innovative products in the last 12 months and is now seeing revenue increases.

The company also recently opened its fifth national outlet in the fast growing Sunshine Coast region of Queensland. It is regionalising its management structure to increase revenue whilst maintaining a relatively low cost base.

The company will seek further expansion of this business by acquisitions or through exclusive distributor license arrangements to take full advantage of any new technologies. The company will seek to introduce new ranges by way of license agreements for additional products related to the temporary flooring system.

The Board is looking at ways to adequately fund this and other future expansion. It is planning to do this initially by way of lease finance and also possible future capital raisings.

Treco Garden Sheds

This division is continuing to improve. Revenue has increased during the last two years as a result of new strategies. The division still needs to earn revenue to make a net profit contribution consistent with management goals. Steps are currently being undertaken to protect the business from rising global commodity prices of steel and to initiate further cost cutting in areas of manufacturing and distribution expenditure.

The focus in the last 12 months was to increase revenue by improving the customer base both nationally and internationally. The future focus will be on maximising adequate distribution networks, expanding the breadth of distribution and increasing quantities of garden storage solution products in affiliates.

The company is currently seeking new exclusive manufacturing licenses of related innovative storage solution products. These products will be marketed through this division and its affiliates.

The manufacturing and distribution division occupies most of the premises at No.8 Farrow Road.

Future Outlook

The company is experiencing considerable growth at present. Additional finance and possible capital raisings may be required to facilitate further investments and satisfy demands on cash from the growing business units. Currently all business units have isolated potential growth opportunities.

The Directors feel that given the continual improvement in trading performance they believe shareholder value will also continue to improve.

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

Trading revenue in the first two months of 2005 financial year is ahead of management revenue targets.

The Directors are keen to maintain good corporate governance. The Board undertakes to keep the market regularly informed. It is a goal to continue to improve shareholder value in the next 12 months as has been demonstrated by the current management over the last two years.

In order to further assist with shareholder value, the Directors have proposed changes to current governance policy, which will include:

Allowing all Directors to trade in Oldfields shares outside of the current eight week window of opportunity allowable (after half year and full year published results). The board made changes to the policy to allow the Directors to trade in the company shares in line with policies of other similar small cap companies. Full and timely disclosure would apply as usual under this scenario. The aim is to support the share price and allow additional liquidity.

The re-introduction of the dividend re-investment plan with a discount of 2.5% to assist with future funding of possible increased cash dividends.

The Board, as per previous disclosures, continues to seek appropriate mergers and/or acquisitions with the possibility of achieving synergies with other companies involved in complementary business activities.

Significant Changes in State of Affairs

Other than those matters disclosed in the review of operations, there have been no significant changes in the state of affairs of the company during the last 12 months and since the end of the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Future Developments

The likely developments in the operations of the economic entity and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the economic entity.

Environmental Issues

The economic entity's manufacturing operations are not subject to significant environmental regulations under Commonwealth and State legislation. The economic entity has established a process whereby compliance with existing environmental regulations and new regulations is monitored continually.

Information on Directors

John R Westwood	—	(Chairman) (Non-executive)
Experience	—	Appointed Chairman August 2002 and has been a Board member since 2001. Mr Westwood is an accountant with 26 years experience in the building materials industry holding many senior accounting positions and is an experienced administrator of both small and medium sized companies.
Interest in Shares and Options	—	Direct holding 68,129 shares and indirect holding of 1,326,300 shares in Oldfields Holdings Limited.
Special Responsibilities	—	Mr Westwood is a member of the Remuneration Committee.
Anthony Mankarios	—	Managing Director
Qualifications	—	Masters of Business Administration (MBA), post Graduate Diploma in company directorship, Fellow of the Australian Institute of Company Directors (FAICD), Certified Finance and Treasury Professional (CFTP).
Experience	—	Appointed Managing Director October 2002 and has been a Board member since 2001. Mr Mankarios was involved for 13 years in all aspects of the running and administration of a group of medium sized companies in the paint industry.
Interest in Shares and Options	—	Direct holding of 125,721 shares and indirect holding of 540,853 shares in Oldfields Holdings Limited.
Special Responsibilities	—	Mr Mankarios is a member of the Remuneration Committee.
Thomas D J Love	—	Director - (Non-Executive)
Qualifications	—	Fellow of the Institute of Chartered Accountants in Australia

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

Experience	—	Board member since 1964, 40 years experience as a partner in a firm of Chartered Accountants. Mr Love has also been a director of a number of Australian and overseas private and publicly listed companies.
Interest in Shares and Options	—	Direct holding of 31,557 shares and indirect holding of 224,840 shares in Oldfields Holdings Limited.
Special Responsibilities	—	Mr Love is a member of the Audit Committee.
Christopher C Hext	—	Director - Finance (Executive)
Qualifications	—	Bachelor of Business major in Accounting (University of Technology), Registered Tax Agent and Justice of the Peace.
Experience	—	Board member since 2001, Registered Tax Agent for 26 years. Mr Hext was a Certified Practising Accountant for 15 years and has held senior accounting and management positions in companies of all sizes
Interest in Shares and Options	—	Direct holding of 33,172 shares in Oldfields Holdings Limited.
Hugh B Oldfield	—	Director - Treco Business Unit (Executive)
Qualifications	—	Bachelor of Business major in business management and accounting.
Experience	—	Board member since 2001, actively involved in the company since 1996.
Interest in Shares and Options	—	Direct holding of 483,500 shares and indirect holding of 1,687,500 shares in Oldfields Holdings Limited.
Special Responsibilities	—	Mr Oldfield is the business manager for the Treco business unit.
James W Toland	—	Director - (Non-Executive)
Experience	—	Board member since 2001, extensive experience in the paint and chemical industry. Mr Toland is also a real estate developer with extensive commercial experience.
Interest in Shares and Options	—	Direct holding of 132,339 shares and indirect holding of 832,082 shares in Oldfields Holdings Limited.
Special Responsibilities	—	Mr Toland is a member of the Audit Committee and the Remuneration Committee.

Directors' and Executive Officers' Emoluments

Disclosure relating to directors' and executive officers' emoluments has been included in Note 5 of the financial report.

Meetings of Directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were:

	Directors' Meetings		Committee Meetings			
	Number eligible to attend	Number attended	Audit Committee		Remuneration Committee	
			Number eligible to attend	Number attended	Number eligible to attend	Number attended
John R Westwood	7	7	-	-	2	2
Anthony Mankarios	7	7	-	-	2	2
Thomas D J Love	7	7	2	2	-	-
Christopher C Hext	7	7	-	-	-	-
Hugh B Oldfield	7	7	-	-	-	-
James W Toland	7	6	2	2	2	2

Indemnifying Officers or Auditor

The company has insured the Directors and officers of Oldfields Holdings Limited economic entity against certain liabilities they may incur in carrying out their duties for the company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Options

Options that were granted over unissued shares or interest during or since the financial year by the company or controlled entity to directors and executives are as follows:

- Anthony Mankarios, 250,000 options granted 19/11/2003 at an exercise price of \$1.20 expiring 18/11/2006.
- Christopher Hext, 50,000 options granted 19/11/2003 at an exercise price of \$1.20 expiring 18/11/2006.
- Hugh Oldfield, 50,000 options granted 19/11/2003 at an exercise price of \$1.20 expiring 18/11/2006.
- Kenneth Holloway, 50,000 options granted 03/11/2003 at an exercise price of \$1.20 expiring 02/11/2006
- Raymond Titman, 50,000 options granted 03/11/2003 at an exercise price of \$1.20 expiring 02/11/2006

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

— Based on the last sale price at 30 June 2004 being \$1.00 and using the Black Scholes option valuation model, the options have a nil value as at 30 June 2004.

As at the date of this report the unissued ordinary shares of Oldfields Holdings Limited under option are as follows:

Grant Date	Date of expiry	Exercise price	Number under option
3/11/2003	2/11/2006	\$1.20	149,500
19/11/2003	18/11/2003	\$1.40	350,000
			<u>499,500</u>

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.

Signed in accordance with a resolution of the Board of Directors.

Director Anthony MANKARIOS

Dated this 27 th day of September 2004

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
Sales revenue	2	18,601,217	25,938,368	-	-
Cost of sales		(13,397,548)	(20,747,437)	-	-
Gross profit		5,203,669	5,190,931	-	-
Other revenues from ordinary activities	2	5,808,493	10,753,596	-	-
Distribution expenses		(4,771,012)	(4,590,184)	-	-
Marketing expenses		(794,267)	(655,970)	-	-
Occupancy expenses		(805,931)	(550,696)	-	-
Administration expenses		(3,001,593)	(3,329,266)	-	-
Borrowing costs expense	3	(341,071)	(701,167)	-	-
Written down value of disposed property, plant and equipment		-	(3,667,124)	-	-
Other expenses from ordinary activities		-	(422,838)	-	-
Share of net profits of associates and joint ventures accounted for using the equity method		(9,173)	198,624	-	-
Profit from ordinary activities before income tax expense	3	1,289,115	2,225,906	-	-
Income tax expense relating to ordinary activities	4	(389,049)	(407,975)	-	-
Profit from ordinary activities after related income tax expense		900,066	1,817,931	-	-
Net profit (loss) attributable to outside equity interests		-	(29,138)	-	-
Net profit attributable to members of the parent entity		900,066	1,788,793	-	-
Increase in asset revaluation reserve	26b	-	(610,462)	-	-
Net exchange difference on translation of financial report of self-sustaining foreign operations	26d	(328,736)	(829,591)	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		(328,736)	(1,440,053)	-	-
Total changes in equity other than those resulting from transactions with owners as owners		571,330	348,740	-	-
Basic earnings per share (cents per share)	8	7.25	21.88		
Diluted earnings per share (cents per share)	8	8.43	16.98		

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004**

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
CURRENT ASSETS					
Cash assets	9	235,687	276,720	31,631	275
Receivables	10	4,891,030	5,263,376	1,609,021	3,721,515
Inventories	11	4,759,700	4,117,220	-	-
Other	20	477,366	459,340	-	-
TOTAL CURRENT ASSETS		10,363,783	10,116,656	1,640,652	3,721,790
NON-CURRENT ASSETS					
Investments accounted for using the equity method	12	1,227,529	1,728,934	-	-
Other financial assets	15	1,430	1,380	7,209,076	7,209,076
Property, plant and equipment	17	7,366,426	4,728,085	-	-
Deferred tax assets	18	2,684,606	2,968,663	2,343,349	-
Intangible assets	19	7,451	3,702	-	-
Other	20	51,439	54,570	-	-
TOTAL NON-CURRENT ASSETS		11,338,881	9,485,334	9,552,425	7,209,076
TOTAL ASSETS		21,702,664	19,601,990	11,193,077	10,930,866
CURRENT LIABILITIES					
Payables	21	4,126,493	4,817,694	1,048,852	978,091
Interest-bearing liabilities	22	2,606,020	518,416	-	-
Provisions	24	663,089	854,452	-	157,500
TOTAL CURRENT LIABILITIES		7,395,602	6,190,562	1,048,852	1,135,591
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	22	2,554,195	2,069,374	-	-
Deferred tax liabilities	23	563,294	458,299	563,294	-
Provisions	24	82,342	133,508	-	-
TOTAL NON-CURRENT LIABILITIES		3,199,831	2,661,181	563,294	-
TOTAL LIABILITIES		10,595,433	8,851,743	1,612,146	1,135,591
NET ASSETS		11,107,231	10,750,247	9,580,931	9,795,275
EQUITY					
Contributed equity	25	8,525,550	8,175,550	8,525,550	8,175,550
Reserves	26	643,969	972,705	901,620	901,620
Retained profits	27	1,937,712	1,601,992	153,761	718,105
TOTAL EQUITY		11,107,231	10,750,247	9,580,931	9,795,275

The accompanying notes form part of these financial statements.

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004**

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		25,872,416	32,189,184	1,966	-
Payments to suppliers and employees		(25,268,634)	(34,887,946)	-	(38,635)
Interest received		2,726	52,749	-	-
Borrowing costs		(307,832)	(925,735)	-	(213)
Net cash provided by (used in) operating activities	30a	298,676	(3,571,748)	1,966	(38,848)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		172,162	5,774,158	-	-
Transfer of cash from wholly owned subsidiaries		-	-	214,738	-
Purchase of property, plant and equipment		(2,965,073)	(619,101)	-	-
Purchase of investments		-	-	-	(224)
Net cash provided by (used in) investing activities		(2,792,911)	5,155,057	214,738	(224)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		350,000	-	350,000	-
Proceeds from borrowings		1,622,000	5,735,000	-	39,000
Repayment of borrowings		(19,040)	(6,585,000)	-	-
Dividends paid by parent entity		(535,348)	-	(535,348)	-
Net cash provided by (used in) financing activities		1,417,612	(850,000)	(185,348)	39,000
Net increase in cash held		(1,076,623)	733,309	31,356	(72)
Cash at 1 July 2003		276,720	(442,544)	275	347
Effect of exchange rates on cash holdings in foreign currencies		-	(14,045)	-	-
Cash at 30 June 2004	9	(799,903)	276,720	31,631	275

The accompanying notes form part of these financial statements.

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Oldfields Holdings Limited and controlled entities, and Oldfields Holdings Limited as an individual parent entity. Oldfields Holdings Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Principles of Consolidation

A controlled entity is any entity controlled by Oldfields Holdings Limited. Control exists where Oldfields Holdings Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Oldfields Holdings Limited to achieve the objectives of Oldfields Holdings Limited. A list of controlled entities is contained in Note 16 to the financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b. Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Oldfields Holdings Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidation group under the Tax Consolidation Regime. The tax consolidated group will enter into a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the consolidated group.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Plant and equipment

Plant and equipment are measured on the cost basis.

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

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

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	1%
Leasehold improvements	4 - 6%
Plant and equipment	5 - 60%

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

Leased plant and equipment 15 - 20%

e. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

f. Investments

Shares in listed companies held as current assets are valued by directors at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

g. Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting.

h. Interests in Joint Ventures

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated statements of financial performance and financial position. Details of the economic entity's interests are shown in Note 14.

The economic entity's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements.

i. Research and Development Expenditure

Research and Development costs are charged to profit from ordinary activities before income tax as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs.

Deferred research and development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial production has commenced.

j. Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The assets and liabilities of the overseas controlled entities, which are self-sustaining, are translated at year-end rates and operating results are translated at the rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

k. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

l. Cash

For the purpose of the statement of cash flows, cash includes:

— cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

m. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

n. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

o. Comparative Figures

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

p. Adoption of Australian Equivalents to International Financial Reporting Standards

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The economic entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the economic entity's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The directors have yet to quantify the effect of the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS which are:

Research and Development Expenditure

Pending standard AASB 138: *Intangible Assets* further requires that costs associated with research be expensed in the period in which they are incurred. In terms of current policy, research costs are capitalised to the statement of financial position where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover these deferred costs.

Impairment of Assets

The economic entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use.

Non-current Investments

Under the pending AASB 139: *Financial Instruments: Recognition and Measurement*, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

Income Tax

Currently, Oldfields Holdings Limited adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent to IAS 12, the entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

Share Based Payments

Under AASB 2: *Share Based Payments*, the company will be required to determine the fair value of options issued to directors and executives and recognise an expenses in the statement of financial performance.

Note 2 Revenue

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Operating activities					
— sale of goods		18,601,217	25,938,368	-	-
— interest received	2b	2,702	54,650	-	-
— government subsidies received		46,106	-	-	-
— other revenue		57,104	450,319	-	-
— rental revenue		5,515,807	4,663,837	-	-
— commission received		14,612	84,173	-	-
		<u>24,237,548</u>	<u>31,191,347</u>	-	-
Non-operating activities					
— proceeds on disposal of property, plant and equipment		172,162	5,500,617	-	-
		<u>172,162</u>	<u>5,500,617</u>	-	-
Total Revenue		<u>24,409,710</u>	<u>36,691,964</u>	-	-
b. Interest revenue from:					
— other persons		2,702	54,650	-	-
Total interest revenue		<u>2,702</u>	<u>54,650</u>	-	-

Note 3 Profit from Ordinary Activities

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Profit from ordinary activities before income tax has been determined after:					
a. Expenses:					
Cost of sales		13,397,548	20,747,437	-	-
Borrowing costs:					
— related corporations		-	90,432	-	-
— other persons		341,071	610,735	-	-
Total borrowing costs		<u>341,071</u>	<u>701,167</u>	-	-
Depreciation of non-current assets:					
— buildings		2,736	-	-	-
— plant and equipment		648,903	828,691	-	-
— leased plant and equipment		137,035	189,608	-	-

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

Total depreciation	788,674	1,018,299	-	-
Amortisation of non-current assets:				
— research and development expenditure	6,880	6,854	-	-
Total amortisation	6,880	6,854	-	-
Bad and doubtful debts:				
— trade debtors	12,339	40,000	-	-
Total bad and doubtful debts	12,339	40,000	-	-
Contingent rentals on finance leases	97,909	95,592	-	-
b. Revenue and Net Gains				
Net gain on disposal of non-current assets:				
— property, plant and equipment	55,150	1,833,493	-	-
Foreign currency translation gains	-	68,155	-	-
c. Significant Revenues and Expenses				
The following significant revenue and expense items are relevant in explaining the financial performance:				
Consideration on disposal of property plant and equipment	-	5,500,617	-	-
Carrying amount of net assets sold	-	(3,667,124)	-	-
Net gain on disposal of non-current assets	-	1,833,493	-	-

Note 4 Income Tax Expense

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
a. The prima facie tax on profit from ordinary activities before tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before tax income tax at 30% (2003:30%)				
— Economic entity	386,735	667,772	-	-
— Parent entity	-	-	-	-
— other members of the income tax consolidated group net of intercompany transactions	-	-	386,735	-
	386,735	667,772	386,735	-
Add:				
Tax effect of:				
— non-deductible depreciation and amortisation	821	-	821	-
— other non-allowable items	7,163	(206,484)	7,163	-
— write downs to recoverable amounts	-	(53,313)	-	-
	394,719	407,975	394,719	-
Less:				
Tax effect of:				
— non tax-affected overseas income	(60,289)	-	(60,289)	-
— share of net profits of associates and joint venture entities	54,619	-	54,619	-
Income tax expense attributable to profit from ordinary activities before income tax	389,049	407,975	389,049	-
Allocation of income tax expense to wholly-owned subsidiaries under the Tax Sharing Agreement	-	-	(389,049)	-
Income tax attributable to parent entity	-	-	-	-
b. Income tax expense attributable to:				
Profit from ordinary activities before income tax	389,049	407,975	-	-
	389,049	407,975	-	-

Note 5 Directors' and Executives' Remuneration

- a. Names and positions held of Parent Entity Directors and Specified Executives in office at any time during the financial year are:

Parent Entity Directors

John R Westwood	Chairman Non-Executive
Anthony Mankarios	Managing Director - Executive
Thomas D J Love	Director Non-Executive
Christopher C Hext	Finance Director - Executive
Hugh B Oldfield	Director - Executive
James W Toland	Director Non-Executive

Specified Executives

Kenneth E. Holloway	Marketing Director - Oldfields Pty Limited
---------------------	--

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

Raymond J. Titman

Business Manager - Oldfields Paint Applications

b. Parent Entity Directors' Remuneration

2004

	Primary			
	Salary, Fees & Commissions \$	Superannuation Contribution \$	Cash Bonus \$	Non-Cash Benefits \$
John R Westwood	40,000	-	-	18,169
Anthony Mankarios	166,200	14,958	20,000	26,006
Thomas D J Love	25,000	-	-	-
Christopher C Hext	144,488	-	-	-
Hugh B Oldfield	64,497	5,804	-	10,695
James W Toland	25,000	-	-	-
	465,185	20,762	20,000	64,870
	Post Employment Superannuation \$	Equity Options \$	Other \$	Total \$
John R Westwood	-	-	-	58,169
Anthony Mankarios	-	-	-	227,164
Thomas D J Love	-	-	-	25,000
Christopher C Hext	-	-	-	144,488
Hugh B Oldfield	-	-	-	80,996
James W Toland	-	-	-	25,000
	-	-	-	560,817

2003

	Primary			
	Salary & Fees \$	Superannuation Contribution \$	Cash Bonus \$	Non-Cash Benefits \$
Brian H. Oldfield	5,179	-	-	-
John R Westwood	40,641	978	-	12,126
Anthony Mankarios	160,800	14,472	-	20,262
Thomas D J Love	25,000	-	-	-
Christopher C Hext	140,300	8,775	-	16,596
Hugh B Oldfield	64,400	5,796	-	16,974
James W Toland	25,000	-	-	-
	456,141	30,021	-	65,958
	Post Employment Superannuation \$	Equity Options \$	Other \$	Total \$
Brian H. Oldfield	-	-	-	5,179
John R Westwood	-	-	1,918	65,663
Anthony Mankarios	-	-	-	195,534
Thomas D J Love	-	-	-	25,000
Christopher C Hext	-	-	-	165,871
Hugh B Oldfield	-	-	-	87,170
James W Toland	-	-	-	25,000
	-	-	1,918	569,217

c. Specified Executives' Remuneration

2004

	Primary			
	Salary & Fees \$	Superannuation Contribution \$	Cash Bonus \$	Non-Cash Benefits \$
Kenneth E. Holloway	51,012	-	-	18,243
Raymond J. Titman	81,000	7,290	-	19,194
	132,012	7,290	-	37,437
	Post Employment Superannuation \$	Equity Options \$	Other \$	Total \$
	-	-	-	-

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

Kenneth E. Holloway	-	-	-	69,256
Raymond J. Titman	-	-	-	107,484
	-	-	-	176,739

2003

	Primary			
	Salary and Fees	Superannuation Contribution	Cash Bonus	Non-Cash Benefits
	\$	\$	\$	\$
Kenneth E. Holloway	63,547	-	-	16,189
Raymond J. Titman	81,000	7,290	-	18,558
	144,547	7,290	-	34,747

	Post Employment Superannuation	Equity Options	Other	Total
	\$	\$	\$	\$
Kenneth E. Holloway	-	-	-	79,736
Raymond J. Titman	-	-	-	106,848
	-	-	-	186,584

There were only two specified executives involved in the strategic direction and management of the entity during the year.

d. Options Granted

	Granted Number	Grant Date	Value per Option at Grant Date \$	Exercise Price \$	Terms & Conditions for each Grant		
					First Exercise Date	Last Exercise Date	
Parent Entity Directors							
Anthony Mankarios	250,000	19/11/2003	nil	1.20	19/11/2003	18/11/2006	
Christopher Charles Hext	50,000	19/11/2003	nil	1.20	19/11/2003	18/11/2006	
Hugh Brian Oldfield	50,000	19/11/2003	nil	1.20	19/11/2003	18/11/2006	
Specified Executives							
Kenneth E H Holloway	50,000	03/11/2003	nil	1.20	03/11/2003	02/11/2006	
Raymond J Titman	50,000	03/11/2003	nil	1.20	03/11/2003	02/11/2006	
	450,000						

e. Options and Rights Holdings

Number of Options held by Specified Directors & Executives

	Balance 1.7.03	Granted	Options Exercised	Net Change Other*	Balance 30.6.04	Total Vested 30.6.04	Total Exercisable 30.6.04	Total Unexercisable 30.6.04
Directors								
John R Westwood	250,000	-	-	(250,000)	-	-	-	-
Anthony Mankarios	-	250,000	-	-	250,000	-	250,000	-
Christopher C Hext	-	50,000	-	-	50,000	-	50,000	-
Hugh B Oldfield	-	50,000	-	-	50,000	-	50,000	-
Specified Executives								
Kenneth E Holloway	-	50,000	-	-	50,000	-	50,000	-
Raymond J Titman	-	50,000	-	-	50,000	-	50,000	-
Total	250,000	450,000	-	(250,000)	450,000	-	450,000	-

*The net change other reflected above includes those options that have lapsed during the year under review.

f. Shareholdings

Number of Shares held by Parent Entity Directors and Specified Executives directly and indirectly

	Balance 1.7.03	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.04
Parent Entity Directors					
John R Westwood	1,326,300	-	-	68,129	1,394,429
Anthony Mankarios	413,729	-	-	252,845	666,574
Christopher C Hext	409,934	-	-	(376,222)	33,712
James Toland	900,864	-	-	63,557	964,421
Hugh B Oldfield	1,733,000	-	-	438,000	2,171,000
Specified Executives					
Kenneth E Holloway	5,740	-	-	-	5,740
Raymond J Titman	5,000	-	-	-	5,000
Total	4,794,567	-	-	446,309	5,240,876

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

* Net change other refers to shares purchased or sold during the financial year.

h. Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows: The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and specified directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement specified directors and executives are paid employee benefit entitlements accrued to date of retirement. Any options not exercised before or on the date of termination lapse.

A Remuneration Committee has been established with a formal Charter that has been adopted by the Board. The Remuneration Committee is responsible for all elements of the remuneration of executive officers including executive directors and makes recommendations to the Board on those elements which includes but is not limited to, basic salary, superannuation, performance incentives and share options.

Note 6 Auditors' Remuneration

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	78,500	76,000	-	-
— other services	23,700	12,000	-	-
Remuneration of other auditors of subsidiaries for:				
— auditing or reviewing the financial report of subsidiaries	-	14,500	-	-

Note 7 Dividends

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Interim unfranked ordinary dividend of 2 (2003: nil) cents per share		406,844	-	406,844	-
Unfranked redeemable preference dividend of 9.0% (2003:9.0%) per share		157,500	315,000	157,500	315,000
	27	<u>564,344</u>	<u>315,000</u>	<u>564,344</u>	<u>315,000</u>
Proposed final unfranked ordinary dividend of 3 (2003): [3 cents] cents per share unfranked		307,106	202,106	307,106	202,106
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years		-	-	-	-

Note 8 Earnings per Share

	Economic Entity	
	2004	2003
	\$	\$
a. Reconciliation of Earnings to Net Profit or Loss		
Net profit	900,067	1,817,931
Net profit/(loss) attributable to outside equity interest	-	(29,138)
Converting preference share dividends	(157,500)	(315,000)
Earnings used in the calculation of basic EPS	<u>742,567</u>	<u>1,473,793</u>
Dividends on converting preference shares	157,500	315,000
Earnings used in the calculation of dilutive EPS	<u>900,067</u>	<u>1,788,793</u>
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		
Weighted average number of options outstanding	10,236,882	6,736,882
Weighted average number of converting preference shares on issue	442,466	298,630
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	<u>10,679,348</u>	<u>10,535,512</u>
c. Classification of securities		

The following securities have been classed as potential ordinary shares and are included in the determination of dilutive EPS:

- options outstanding
- 9.0% converting preference shares

Note 9 Cash Assets

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Cash at bank		235,687	276,720	31,631	275
		<u>235,687</u>	<u>276,720</u>	<u>31,631</u>	<u>275</u>
Reconciliation of Cash					
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:					
Cash		235,687	276,720	31,631	275
Bank overdrafts	22	(1,035,590)	-	-	-
		<u>(799,903)</u>	<u>276,720</u>	<u>31,631</u>	<u>275</u>

Note 10 Receivables

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
CURRENT					
Trade debtors		4,571,139	3,958,098	-	-
Provision for doubtful debts		(210,157)	(201,781)	-	-
		<u>4,360,982</u>	<u>3,756,317</u>	<u>-</u>	<u>-</u>
Other debtors		239,597	1,169,479	-	-
Amounts receivable from:					
— wholly-owned subsidiaries		-	-	1,609,021	3,721,515
— associated companies		290,451	337,580	-	-
		<u>4,891,030</u>	<u>5,263,376</u>	<u>1,609,021</u>	<u>3,721,515</u>

Note 11 Inventories

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
CURRENT					
Raw materials and stores at cost		969,897	614,134	-	-
Work in progress at cost		748,215	738,723	-	-
Finished goods at cost		3,041,588	2,764,363	-	-
		<u>4,759,700</u>	<u>4,117,220</u>	<u>-</u>	<u>-</u>

Note 12 Investments Accounted for Using the Equity Method

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Associated companies	13	1,109,785	1,719,738	-	-
Interests in joint venture entities	14	117,744	9,196	-	-
		<u>1,227,529</u>	<u>1,728,934</u>	<u>-</u>	<u>-</u>

Note 13 Associated Companies

Interests are held in the following associated companies

Name	Principal Activities	Ownership Interest		Carrying Amount of Investment	
		2004	2003	2004	2003
		%	%	\$	\$
Unlisted:					
PT ACE Oldfields	Ord	49	49	1,271,178	1,689,966
Concrete Pumping Systems Australia Pty Limited	Ord	25	25	-	-
Backyard Installations Pty Limited	Ord	45	45	(160,205)	29,772
Brisbane Garden Sheds Pty Limited	Ord	50	-	(1,238)	-
Adelaide Garden Sheds Pty Limited	Ord	50	-	50	-
				<u>1,109,785</u>	<u>1,719,738</u>

a. Movements during the Year in Equity Accounted Investment in Associated Companies

		2004	2003	2004	2003
Balance at beginning of the financial year		1,719,738	29,817	-	-
Add: New investments during the year		95	1,682,049	-	-
Foreign exchange translation		(381,548)	-	-	-
Share of associated company's profit/(loss) from ordinary activities after income tax		(228,500)	27,872	-	-
Balance at end of the financial year		<u>1,109,785</u>	<u>1,719,738</u>	<u>-</u>	<u>-</u>

b. Retained Earnings Attributable to Associate

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

Share of associate's profit/(loss) from ordinary activities before income tax expense	(228,500)	27,872		
Share of associate's income tax expense	-	-		
Share of associate's profit/(loss) from ordinary activities after income tax	(228,500)	27,872	-	-
Share of retained profits at beginning of the financial year	1,235,227	19,926		
Adjustment to retained profits arising on adoption of equity accounting		1,187,429		
Share of retained profits at end of the financial year	1,006,727	1,235,227	-	-
c. Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associates				
Current Assets	7,413,728	5,342,444		
Non-Current Assets	2,021,012	2,573,913		
Total Assets	9,434,740	7,916,357	-	-
Current Liabilities	4,372,684	2,629,198		
Non-Current Liabilities	2,829,642	1,772,090		
Total Liabilities	7,202,326	4,401,288	-	-
Net Assets	2,232,414	3,515,069	-	-
Net profit/(loss) from ordinary activities after income tax of associates	(228,500)	27,872	-	-

Note 14 Joint Ventures

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
Interests in Joint Venture Entities				
A controlled entity Oldfields NZ Ltd has a 49% interest in the joint venture entity of Enduring Enterprises selling hardware products to the global market.				
The voting power held by Oldfields Holdings Limited is 49%				
i. Retained earnings attributable to interest in joint venture:				
Balance at the beginning of the financial year	9,196	(29,817)	-	-
— share of joint venture's profit from ordinary activities after income tax	219,327	170,752	-	-
— distribution received	(110,779)	(131,739)	-	-
Balance at the end of the financial year	117,744	9,196	-	-
ii. Carrying amount of investment in joint venture entity:				
Balance at beginning of the financial year	9,196	(29,817)	-	-
— share of profit from ordinary activities after income tax	219,327	170,752	-	-
— dividends received	(110,779)	(131,739)	-	-
Balance at the end of the financial year	117,744	9,196	-	-
iii Share of joint venture entity's results and financial position:				
Current Assets	4,712,534	1,620,078	-	-
Non-Current Assets	-	-	-	-
Total Assets	4,712,534	1,620,078	-	-
Current Liabilities	4,472,240	1,610,882	-	-
Non-Current Liabilities	-	-	-	-
Total Liabilities	4,472,240	1,610,882	-	-
Revenues	4,963,025	4,543,737	-	-
Expenses	4,743,698	4,372,985	-	-
Profit from ordinary activities before income tax	219,327	170,752	-	-
Income tax expense	-	-	-	-
Profit from ordinary activities after income tax	219,327	170,752	-	-

Note 15 Other Financial Assets

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
NON-CURRENT					
Listed investments, at cost					
— shares in other corporations		1,380	1,380	-	-
Unlisted investments, at cost		1,380	1,380	-	-
— shares in controlled entities	16	-	-	7,209,076	7,209,076
— shares in associates	13	50	-	-	-
		50	-	7,209,076	7,209,076
		1,430	1,380	7,209,076	7,209,076

Note 16 Controlled Entities

a. Controlled Entities

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

	Country of Incorporation	Percentage Owned (%)	
		2004	2003
Parent Entity			
Oldfields Holdings Limited			
Subsidiaries of Oldfields Holdings Limited			
Oldfields Pty Limited	Australia	100	100
Oldfields Access Pty Limited	Australia	100	100
Oldfields International Pty Limited	Australia	100	100
Oldfields Administration Pty Limited	Australia	100	100
Shed Holdings Pty Limited	Australia	100	100
Midco Pty Limited	Australia	100	100
Advantage Scaffolding Pty Limited	Australia	100	100
Advantage Contracting Pty Limited	Australia	100	100
Oldfields Paint Applications (NZ) Limited	NZ	100	100
Oldfields NZ Limited	NZ	100	100
Oldfields USA Inc.	USA	100	100

- b. A deed of cross-guarantee between Oldfields Holdings Limited and its wholly owned subsidiaries was enacted during the financial year ended June 2001. An assumption deed to include Advantage Scaffolding Pty Limited and Advantage Contracting Pty Limited was enacted during the financial year ended June 2004. Relief has been obtained from preparing a financial report for Oldfields Pty Limited and Oldfields Access Pty Limited under ASIC Class order 98/1418. Under the deed Oldfields Holdings Limited guarantees to support the liabilities and obligations of Oldfields Pty Limited and other wholly owned entities listed above being members of the closed group.

Note 17 Property Plant and Equipment

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
LAND AND BUILDINGS				
Freehold land at:				
— at cost	200,000	-	-	-
Total Land	200,000	-	-	-
Buildings at:				
— at cost	154,054	29,324	-	-
Less accumulated depreciation	(2,736)	-	-	-
Total Buildings	151,318	29,324	-	-
Total Land and Buildings	351,318	29,324	-	-
PLANT AND EQUIPMENT				
Plant and equipment				
At cost	8,300,803	6,741,826	-	-
Accumulated depreciation	(2,642,483)	(2,488,376)	-	-
	5,658,320	4,253,450	-	-
Leasehold improvements				
At cost	10,804	-	-	-
Accumulated amortisation	(90)	-	-	-
Total leasehold improvements	10,714	-	-	-
Leased plant and equipment				
Capitalised leased assets	1,674,409	514,162	-	-
Accumulated depreciation	(328,335)	(68,851)	-	-
	1,346,074	445,311	-	-
Total Plant and Equipment	7,015,108	4,698,761	-	-
Total Property, Plant and Equipment	7,366,426	4,728,085	-	-

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold Land	Buildings	Leasehold Improvement	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$
Economic Entity:						
Balance at the beginning of year	-	29,324	-	4,253,450	445,311	4,728,085
Additions	200,000	124,730	10,804	2,664,670	847,800	3,848,004
Disposals	-	-	-	(306,675)	(105,006)	(411,681)
Transfers	-	-	-	(376,445)	376,445	-
Foreign exchange movement	-	-	-	(2,428)	-	(2,428)
Depreciation expense	-	(2,736)	(90)	(574,252)	(218,476)	(795,554)
Carrying amount at the end of year	200,000	151,318	10,714	6,658,320	1,346,074	7,366,426

Note 18 Deferred Tax Assets

Economic Entity Parent Entity

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$	2004 \$	2003 \$
Future income tax benefit	2,684,606	2,968,663	2,343,349	-
a. The future income tax benefit is made up of the following estimated tax benefits:				
— tax losses	1,925,678	2,168,009	1,684,421	
— timing differences	758,928	800,654	758,928	
	<u>2,684,606</u>	<u>2,968,663</u>	<u>2,343,349</u>	<u>-</u>

Note 19 Intangible Assets

	Economic Entity		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
Goodwill at cost	2	2	-	-
Accumulated amortisation	-	-	-	-
	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
Patents, trademarks and licences at cost	7,449	3,700	-	-
Accumulated amortisation	-	-	-	-
	<u>7,449</u>	<u>3,700</u>	<u>-</u>	<u>-</u>
	<u>7,451</u>	<u>3,702</u>	<u>-</u>	<u>-</u>

Note 20 Other Assets

	Economic Entity		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
CURRENT				
Prepayments	477,366	459,340	-	-
NON-CURRENT				
Research and development — at cost	72,002	68,279	-	-
Accumulated amortisation	(20,563)	(13,709)	-	-
	<u>51,439</u>	<u>54,570</u>	<u>-</u>	<u>-</u>

Note 21 Payables

	Economic Entity		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
CURRENT				
Unsecured liabilities				
Trade creditors	2,073,998	1,720,429	-	-
Sundry creditors and accrued expenses	1,638,592	2,777,274	60,642	29,096
Amounts payable to:				
— wholly-owned subsidiaries	-	-	988,210	948,995
— associated companies and joint venture entities	413,903	319,991	-	-
	<u>4,126,493</u>	<u>4,817,694</u>	<u>1,048,852</u>	<u>978,091</u>

Note 22 Interest Bearing Liabilities

	Notes	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
CURRENT					
Unsecured liabilities					
Directors loans		370,000	-	-	-
		<u>370,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Secured liabilities					
Bank overdrafts	22a, c	1,035,590	-	-	-
Bank loans	22a, d	308,560	100,000	-	-
Lease liability	22a, d	183,674	151,947	-	-
Hire purchase liability	22a, e	708,196	266,469	-	-
		<u>2,236,020</u>	<u>518,416</u>	<u>-</u>	<u>-</u>
		<u>2,606,020</u>	<u>518,416</u>	<u>-</u>	<u>-</u>
NON-CURRENT					
Secured liabilities					
Bank loans	22a, d	1,438,155	1,400,000	-	-
Lease liability	22a, d	260,205	337,950	-	-
Hire purchase liability	22a, e	855,835	331,424	-	-
		<u>2,554,195</u>	<u>2,069,374</u>	<u>-</u>	<u>-</u>
a. Total current and non-current secured liabilities:					
Bank overdraft		1,035,590	-	-	-

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

Bank loans	1,746,715	1,500,000	-	-
Lease Liability	443,879	489,897	-	-
Hire purchase liability	1,564,031	597,893	-	-
	<u>4,790,215</u>	<u>2,587,790</u>	-	-
b. The carrying amounts of non-current assets pledged as security are:				
First mortgage				
Freehold land and buildings	351,318	-	-	-
Floating charge over assets, including listed investments at market value	21,013,692	19,601,990		
Total assets pledged as security	<u>21,365,010</u>	<u>19,601,990</u>	-	-
c. The bank overdrafts of the parent entity and subsidiaries are secured by floating charges over the assets of the parent entity and its subsidiaries.				
d. The bank and mortgage loans are secured by registered first mortgages over certain freehold property of the parent entity and the subsidiaries				
e. Lease liabilities are secured by a charge over the leased assets. Hire purchase liabilities are secured by a charge over the hire purchase assets.				

Note 23 Tax Liabilities

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
NON-CURRENT				
Provision for deferred income tax	563,294	458,299	563,294	-

Note 24 Provisions

	Notes	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
CURRENT					
Employee entitlements	24a	663,089	696,952	-	-
Dividends on Preference Shares		-	157,500	-	157,500
		<u>663,089</u>	<u>854,452</u>	-	<u>157,500</u>
NON-CURRENT					
Employee entitlements	24a	82,342	133,508	-	-
		<u>82,342</u>	<u>133,508</u>	-	-
a. Aggregate employee entitlements liability					
		<u>745,431</u>	<u>830,460</u>	-	-
b. Number of employees at year-end					
		No.	No.	No.	No.
		124	119	-	-

Note 25 Contributed Equity

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
10,236,882 (2003:6,736,882) fully paid ordinary shares	25a	8,525,550	4,675,550	8,525,550	4,675,550
nil (2003:3,500,000) fully paid converting preference shares	25b	-	3,500,000	-	3,500,000
		<u>8,525,550</u>	<u>8,175,550</u>	<u>8,525,550</u>	<u>8,175,550</u>
a. Ordinary shares					
At the beginning of the reporting period		4,675,550	4,675,550	4,675,550	4,675,550
Shares issued during the year					
3,500,000 on 1st February 2004	25b	3,500,000	-	3,500,000	-
Conversion Payment received	25b	350,000	-	350,000	-
		<u>3,850,000</u>	-	<u>3,850,000</u>	-
At reporting date		<u>8,525,550</u>	<u>4,675,550</u>	<u>8,525,550</u>	<u>4,675,550</u>
		No.	No.	No.	No.
At the beginning of reporting period		6,736,882	6,736,882	6,736,882	6,736,882
Shares issued during year					
— 1st February 2004	25b	3,500,000	-	3,500,000	-
At reporting date		<u>10,236,882</u>	<u>6,736,882</u>	<u>10,236,882</u>	<u>6,736,882</u>
b. Converting Preference Shares					
At beginning of the reporting period		3,500,000	3,500,000	3,500,000	3,500,000

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Preference shares converted on 1st February 2004	(3,500,000)	(3,500,000)	-
At reporting date	-	3,500,000	3,500,000
At beginning of reporting period	3,500,000	3,500,000	3,500,000
Preference shares converted on 1st February 2004	(3,500,000)	-	-
At reporting date	-	3,500,000	3,500,000

The converting preference shares pay a dividend of 9% p.a. and were converted to ordinary shares in accordance with the converting preference share agreement on 1st February 2004 on payment of \$0.10 per share.

c. Options

- i. For information relating to the Oldfields Holdings Limited executive option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 31.
 - ii. For information relating to share options issued to directors and executives during the financial year, refer to Note 31.
- d. At 30 June 2004 there were 499,500 unissued ordinary shares for which options were outstanding.

Employee share scheme

For more information relating to Oldfields Holdings Limited Employee Share Scheme, including details of shares issued during the financial year, refer to note 31.

Note 26 Reserves

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Capital profits	26a	1,228,445	1,228,445	-	-
Asset revaluation	26b	-	-	-	-
Asset realisation	26c	740,885	740,885	901,620	901,620
Foreign currency translation	26d	(1,325,361)	(996,625)	-	-
		643,969	972,705	901,620	901,620

a. Capital Profits Reserve

Movements during the year

Opening balance	1,228,445	1,228,445	-	-
Capital profit on sale of investments transferred from retained	-	-	-	-
Closing balance	1,228,445	1,228,445	-	-

The capital profits reserve records non-taxable profits on sale of investments

b. Asset Revaluation Reserve

Movements during the year

Opening balance	-	610,462	-	901,620
Revaluation increment on freehold land and buildings	-	(610,462)	-	-
Transfer prior year revaluation increment to asset realisation reserve being increment realised on sale of freehold property	-	-	-	(901,620)
Closing balance	-	-	-	-

The asset revaluation reserve records revaluations of non-current assets

c. Asset Realisation Reserve

Movements during the year

Opening balance	740,885	190,885	901,620	-
Realised increment on freehold property sold during the year transferred from asset revaluation reserve	-	550,000	-	901,620
Closing balance	740,885	740,885	901,620	901,620

The asset realisation reserve records realised gains on sale of non-current assets

d. Foreign Currency Translation Reserve

Movements during the year

Opening balance	(996,625)	(167,034)	-	-
Adjustment arising from the translation of foreign controlled entities' financial statements	(328,736)	(829,591)	-	-
Closing balance	(1,325,361)	(996,625)	-	-

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

Note 27 Retained Profits

Economic Entity		Parent Entity	
2004	2003	2004	2003

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

	Note	\$000	\$000	\$000	\$000
Retained profits at the beginning of the financial year		1,601,990	1,582	718,105	1,033,105
Net profit attributable to the members of the parent entity		900,066	1,788,793	-	-
Adjustment to retained earnings on adoption of equity accounting		-	126,617	-	-
Dividends provided for or paid	7	(564,344)	(315,000)	(564,344)	(315,000)
Retained profits at the end of the financial year		<u>1,937,712</u>	<u>1,601,992</u>	<u>153,761</u>	<u>718,105</u>

Note 28 Capital and Leasing Commitments

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
a. Finance Lease and Hire Purchase Commitments					
Payable					
— not later than 1 year		1,020,384	448,860	-	-
— later than 1 year but not later than 5 years		1,207,628	782,130	-	-
Minimum lease payments		2,228,012	1,230,990	-	-
Less future finance charges		220,102	143,200	-	-
Total Lease Liability	22	<u>2,007,910</u>	<u>1,087,790</u>	-	-
b. Operating Lease Commitments					
Payable					
— not later than 1 year		400,600	150,600	-	-
— later than 1 year but not later than 5 years		1,602,400	1,602,400	-	-
— later than 5 years		-	-	-	-
		<u>2,003,000</u>	<u>1,753,000</u>	-	-

The property lease has a five-year term with rent payable monthly in advance. Contingent rental provisions within the lease require the minimum lease payments to be increased from \$150,600 to \$400,600 after year one and then increase by CPI per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years. The lease can be terminated at any time on payment of an amount equal to six (6) months rent plus outgoings.

Note 29 Segment Reporting

Primary Reporting - Business Segments

	Manufac turing	Wholesale	Hire	Other	Eliminations	Economic Entity
	2004	2004	2004	2004	2004	2004
	\$	\$	\$	\$	\$	\$
REVENUE						
External Sales	-	15,730,786	8,342,847	-	-	24,073,633
Other segments	-	220,997	115,080	-	-	336,077
Total sales revenue	-	15,951,783	8,457,927	-	-	24,409,710
Share of net profits of equity accounted associates and joint venture entities						
Total segment revenue	-	15,951,783	8,457,927	-	-	24,409,710
Unallocated revenue						
Total Revenue from ordinary activities						<u>24,409,710</u>
RESULT						
Segment result	-	332,916	965,372	-	-	1,298,288
Share of net profits of equity accounted associates and joint venture entities						(9,172)
Unallocated expenses net of unallocated revenue						
Profit from ordinary activities before income tax expense						1,289,116
Income Tax Expense						
Profit from ordinary activities after income tax expense						<u>1,289,116</u>
Net profit						<u>1,289,116</u>
ASSETS						
Segment assets	1,271,178	12,202,970	7,890,862	-	-	21,365,010
Total assets						<u>21,365,010</u>

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

LIABILITIES

Segment liabilities	-	3,412,457	6,845,322	-	-	<u>10,257,779</u>
Total liabilities						<u>10,257,779</u>

OTHER

Investments accounted for using the equity method	1,271,178	(43,649)	-	-	-	1,227,529
Acquisitions of non-current segment assets	-	542,835	3,117,864	-	-	3,660,699
Depreciation and amortisation of segment assets	-	338,580	456,974	-	-	795,554
Other non-cash segment expenses	-	138,633	85,824	-	-	224,457

	Manufac turing 2003 \$	Wholesale 2003 \$	Hire 2003 \$	Other 2003 \$	Eliminations 2003 \$	Economic Entity 2003 \$
--	---------------------------------	-------------------------	--------------------	---------------------	----------------------------	-------------------------------

Primary Reporting - Business

Segments

REVENUE

External Sales	6,494,618	16,909,362	7,513,826	-	-	30,917,806
Other segments	95,848	6,584,925	93,386	-	-	5,774,158
Total sales revenue	6,590,466	22,494,287	7,607,211	-	-	36,691,964
Share of net profits of equity accounted associates and joint venture entities	-	-	-	-	-	-
Total segment revenue	6,590,466	22,494,287	7,607,211	-	-	36,691,964
Unallocated revenue						
Total Revenue from ordinary activities						<u>36,691,964</u>

RESULT

Segment result	57,133	1,516,320	453,829	-	-	2,027,282
Share of net profits of equity accounted associates and joint venture entities						198,624
Unallocated expenses net of unallocated revenue						-
Profit from ordinary activities before income tax expense						2,225,906
Income Tax Expense						(407,975)
Profit from ordinary activities after income tax expense						1,817,931
Net profit						<u>1,817,931</u>

ASSETS

Segment assets	1,689,970	12,305,707	5,606,313	-	-	19,601,990
Total assets						<u>19,601,990</u>

LIABILITIES

Segment liabilities	-	3,617,983	5,233,760	-	-	8,851,743
Total liabilities						<u>8,851,743</u>

OTHER

Investments accounted for using the equity method	1,689,966	38,968	-	-	-	1,728,934
Acquisitions of non-current segment assets	223,479	316,098	79,524	-	-	619,101
Depreciation and amortisation of segment assets	213,620	487,529	324,004	-	-	1,025,153
Other non-cash segment expenses	-	(32,471)	40,000	-	-	7,529

Secondary reporting — Geographical segments

Geographical location:	Segment Revenues from External Customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment Assets	
	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
Australia	24,367,211	30,070,747	17,764,046	16,029,951	3,660,699	395,622
New Zealand	42,499	30,751	2,212,042	1,872,873	-	-
South East Asia	-	6,590,466	1,368,922	1,699,162	-	223,479
	<u>24,409,710</u>	<u>36,691,964</u>	<u>21,365,010</u>	<u>19,601,986</u>	<u>3,660,699</u>	<u>619,101</u>

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Intersegment Transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm's length. These transfers are eliminated on consolidation.

Business and Geographical Segments

Business Segments

The economic entity has the following three business segments:

- Manufacturing division manufactures paint application products used in the building and general hardware business.
- Wholesale division which sells paint application products, painters' tools and associated products to the hardware and paint industry.
- Hire division manufactures scaffolding equipment for both sale and hire to the building and construction industry in NSW, Victoria & Queensland.

Geographical Segments

—

The economic entity's business segments are located in Australia, with the manufacturing of paint application products located principally in Indonesia.

Note 30 Cash Flow Information

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
a. Reconciliation of Cash Flow from Operations with Profit from ordinary activities after Income Tax				
Profit from ordinary activities after income tax	900,066	1,817,931	-	-
Cash flows excluded from profit from ordinary activities attributable to operating activities				
Non-cash flows in profit from ordinary activities				
Amortisation	6,880	6,854	-	-
Depreciation	768,674	1,018,299	-	-
Net gain on disposal of property, plant and equipment	(55,150)	(1,833,493)	-	-
Net loss on disposal of controlled entity	-	90,480		
Net gain on disposal of investments				
Share of associated companies net profit/(loss) after income tax and dividends	228,500	(27,872)		
Share of joint venture entity net profit after income tax and dividends	(219,327)	(170,752)		
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and term debtors	(557,536)	(793,770)	2,112,494	691,209
(Increase)/decrease in prepayments	(18,026)	(53,852)	-	(224)
(Increase)/decrease in inventories	(642,480)	4,428,792	-	-
(Increase)/decrease in trade creditors and accruals	1,858,155	(12,134,622)	(172,973)	(572,333)
Increase/(decrease) in non-current assets	(1,515,893)	3,836,207	(2,005,695)	-
Increase/(decrease) in deferred taxes payable	(232,659)	458,297	225,640	-
Increase/(decrease) in provisions	(242,529)	(214,247)	(157,500)	(157,500)
Cash flows from operations	<u>298,675</u>	<u>(3,571,748)</u>	<u>1,966</u>	<u>(38,848)</u>
e. Credit Standby Arrangements with Banks				
Credit facility	3,000,000	3,000,000		-
Amount utilised	(2,782,305)	(1,500,000)		-
Unused credit facility	<u>217,695</u>	<u>1,500,000</u>	-	-

The major facilities are summarised as follows:

Banking Overdrafts

Bank overdraft facilities are arranged with Westpac Banking Corporation with the general terms and conditions being set and agreed to annually

Interest rates are variable and subject to adjustment

Commercial Bill Facility

\$1,500,000 ten-year variable interest rate facility provided by Westpac Banking Corporation. Reducing by \$50,000 per quarter commencing 31/03/2004.

Note 31 Employee Benefits

Employee Share Option Arrangement

- i. On 3 November 2003, 162,000 share options were granted to executives under the Oldfields Holdings Limited executive option plan to take up ordinary shares at an exercise price of \$1.20 each. The options are exercisable on or before 2 November 2006. The options hold no voting or dividend rights and are not transferable. At reporting date 12,500 of these options had lapsed.

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

- ii. On 19 November 2003, 350,000 share options were granted to executive directors to accept ordinary shares at an exercise price of \$1.20. The options are exercisable on or before 18 November 2006. The options hold no voting or dividend rights and are not transferable. When an executive director ceases employment the options are deemed to have lapsed. Since balance date, no director has ceased their employment. At balance date, no share options have been exercised.

The closing share market price of an ordinary share of Oldfields Holdings Limited on the Australian Stock Exchange at 30 June 2004 was \$1.00 (30 June 2003:\$0.86).

	Economic Entity		Parent Entity	
	2004 No.	2003 No.	2004 No.	2003 No.
a. Movement in the number of share options held by employees are as follows:				
Opening balance	250,000	375,000	250,000	375,000
Granted during the year	512,000	-	512,000	-
Exercised during the year	-	-	-	-
Lapsed during the year	(262,500)	(125,000)	(262,500)	(125,000)
Closing Balance	<u>499,500</u>	<u>250,000</u>	<u>499,500</u>	<u>250,000</u>
	\$	\$	\$	\$

b. Details of share options outstanding as at end of year:

Grant Date	Expiry and Exercise Date	Exercise Price	Economic Entity		Parent Entity	
			2004 No.	2003 No.	2004 No.	2003 No.
31.05.01	31.12.04	\$1.40	-	250,000	-	250,000
03.11.03	02.11.06	\$1.20	149,500	-	149,500	-
19.11.03	18.11.03	\$1.20	350,000	-	350,000	-
			<u>499,500</u>	<u>250,000</u>	<u>499,500</u>	<u>250,000</u>

Superannuation Commitments

The economic entity operates superannuation funds for various categories of employees

All funds are administered externally and provide benefits death, disability and retirement.

All benefits are provided on an accumulation of contributions basis and accordingly no actuarial assessment is required. The economic entity has an obligation to make contributions as specified by the funds and these contributions are legally enforceable.

The assets of the funds are sufficient to satisfy the benefits which would have been required in the event of termination of the funds and voluntary or compulsory termination of the employee's services.

Note 32 Events subsequent to Reporting Date

No matters of circumstance have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Note 33 Related Party Transactions

	Economic Entity		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$

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

Transactions with related parties:

(i) Joint Venture Entities				
Purchases from Enduring Enterprises comprising paint rollers and brushes and rollers.	2,212,132	3,443,191	-	-
(ii) Associated Companies				
Sales made to Backyard Installations Pty Limited comprising sheds and shed components	581,295	430,771	-	-
Sales made to Brisbane Garden Sheds Pty Limited comprising sheds and shed components	380,144	-	-	-
Sales made to Pt Ace Oldfields Indonesia comprising brush ferrals and associated raw materials	21,480	-	-	-
Loans outstanding under normal commercial terms and conditions to Concrete Pumping Systems Australia Pty Limited	285,399	285,399	-	-
(iii) Director-related Entities				

**OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

<p>Sales made to Amazing Paint Discounts retail stores. At 30 June 2004 Amazing Paint Discounts shareholders included John Westwood, Christopher Hext, Anthony Mankarios and James Toland. On 1 July 2004 the shareholders of Amazing Paint Discounts sold their shares as part of the Initial Public Offer of Retail Cube Limited. The aforementioned directors hold shares in Retail Cube Limited but do not have a controlling interest and are not on the board of Retail Cube Limited or any of its subsidiaries.</p>	304,897	499,198	-	-
<p>Trade Receivable due from Amazing Paint Discounts at the end of the financial year.</p>	64,373	21,893	-	-
<p>Rent paid to 8 Farrow Road Pty Limited an entity owned by John Westwood.</p>	436,046	150,600	-	-
<p>Interest paid to Aymtold Administration Pty Limited an entity controlled by John Westwood, Christopher Hext, Anthony Mankarios and James Toland. The loan was fully repaid at 30 June 2003.</p>	-	239,942	-	-
(iv) Directors				
<p>Loans made from directors to the economic entity under normal commercial terms and conditions and outstanding at 30 June 2004.</p>				
<p>— John Westwood</p>	200,000	-	-	-
<p>— Hugh Oldfield</p>	100,000	-	-	-
<p>— Anthony Mankarios</p>	70,000	-	-	-

Note 34 Financial Instruments

Note 34 Financial Instruments

a. Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of

	Weighted		Floating Interest Rate		Within Year		1 to 5 Years		Over 5		Non-interest Bearing		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Financial Assets														
Cash											235,687	276,720	235,687	276,720
Receivables											4,360,982	3,756,317	4,360,982	3,756,317
Investments											1,430	1,380	1,430	1,380
Total Financial Assets											4,598,099	4,034,417	4,598,099	4,034,417
Financial Liabilities														
Bank overdrafts	9.25	9.96	1,035,590	-									1,035,590	-
Bank Loans	7.65	7.01	1,746,715	1,500,000									1,746,715	1,500,000
Preference dividends payable											-	157,500	-	157,500
Trade and sundry creditors											4,126,493	4,817,694	4,126,493	4,817,694
Lease liabilities	10.50	11.21			183,674	151,947	260,205	337,950					443,879	489,897
Hire Purchase Liabilities	8.50	9.10			708,196	266,469	855,835	331,424					1,564,031	597,893
Total Financial Liabilities			2,782,305	1,500,000	891,870	418,416	1,116,040	669,374	-	-	4,126,493	4,875,194	8,916,708	7,582,984

b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial

The company minimises the concentration of credit risk in relation to trade accounts receivable by undertaking transactions with a

c. Net Fair Values

The following methods and assumptions are used to determine the net fair values of financial assets.

Cash, Cash equivalents and short term investments: the carrying amount approximates fair value because of their short term to

Trade receivable and payables: the carrying amount approximates fair value.

Dividends payable: the carrying amount approximates fair value.

Short term borrowings: The carrying amount approximates fair value because of their short term maturity.

The net fair values of other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar

For other assets and other liabilities the net fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2004		2003	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets	235,687	235,687	276,720	276,720
Receivables - Trade	4,360,982	4,360,982	3,756,317	3,756,317
Unlisted investments	1,430	1,430	1,380	1,380
	4,598,099	4,598,099	4,034,417	4,034,417
Financial Liabilities				
Bank overdrafts	1,035,590	1,035,590	-	-
Bank loans	1,746,715	1,746,715	1,500,000	1,500,000
Dividends payable	-	-	157,500	157,500
Trade and sundry creditors	4,126,493	4,126,493	4,817,694	4,817,694
Hire Purchase Liabilities	1,564,031	1,564,031	597,893	597,893
Finance lease liabilities	443,879	443,369	489,897	489,897
	8,916,708	8,916,198	7,582,984	7,582,984

Note 35 **Company Details**

The registered office of the company is:

Oldfields Holdings Limited
8 Farrow Road CAMPBELLTOWN NSW 2560

The principal places of business are:

Oldfields Pty Limited
Manufacturing of garden sheds and distribution centre
8 Farrow Road CAMPBELLTOWN NSW 2560

Oldfields Access Pty Limited - NSW
Access hire division
63 Fairford Road, PADSTOW NSW 2211

Oldfields Access Pty Limited - VIC
Access hire division
2/28-30 Little Boundary Road, LAVERTON NORTH VIC 3026

Oldfields Access Pty Limited - QLD
Access hire division
210 Beatty Road, ARCHERFIELD QLD 4108

**OLDFIELDS HOLDINGS LIMITED
ABN 02 000 307 988
AND CONTROLLED ENTITIES
INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
OLDFIELDS HOLDINGS LIMITED**

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Oldfields Holdings Limited (the company) and Oldfields Holdings Limited (the consolidated entity), for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Oldfields Holdings Limited is in accordance with:

- a. the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b. other mandatory professional reporting requirements in Australia.

Hall Chadwick
Level 29, 31 Market Street
Sydney, NSW 2000



Drew Townsend
Date: 27 September 2004

Sydney
Level 29
St. Martins Tower
31 Market Street
Sydney, NSW 2000

GPO Box 3555
Sydney, NSW 2001
or
DX 1451 Sydney

Telephone: (02) 9263 2600
Facsimile: (02) 9263 2800
Email: hcsyinfo@hallchadwick.com.au

Perth

Telephone: (02) 4721 8144
Facsimile: (02) 4721 8155

Partners

Robert Elliott
Geoffrey McDonald
Drew Townsend
David Kenney
Richard Albarran
Gino Malacco
Paul Leroy

Associates

Steven Gladman
Mitchell Ball

Other firms in:

Melbourne
Brisbane
Perth
Adelaide
Cairns



www.hallchadwick.com.au

National Association
Hall Chadwick

International Association
AGN International

Association of
Independent Firms

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Oldfields Holdings Limited is committed to high standards of corporate governance and supports the principles of good corporate governance and best practice recommendations as published by the ASX Corporate Governance Council in March 2003.

Given the size and specific circumstances of Oldfields Holdings Limited the Board recognises that some best practice recommendations are more relevant to larger companies.

Unless disclosed below, all relevant best practice recommendations of the ASX Corporate Governance Council have been applied for the financial year ended 30 June 2004.

The company is in the process of developing a new website which will contain a clearly marked corporate governance section.

1. THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT & OVERSIGHT

The Board of Directors is accountable to the shareholders for the performance of the company. The Board sets the company's strategic direction and delegates responsibility for the management of the company to the Managing Director.

A board charter is being developed which promotes a culture within the company of accountability, integrity and transparency.

Each Board member must at all times act honestly, fairly and diligently in all respects in accordance with the Corporations Law as it applies to our company.

Key matters reserved to the Board include the following:

- Oversight of the company , including its control, accountability and compliance systems;
- Appointment, monitoring, managing the performance of 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 Board holds a minimum of six formal meetings a year. Additional meetings are held as required.

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

2. STRUCTURE OF THE BOARD TO ADD VALUE

The Board currently has six directors, comprising three non-executive directors, including the chairperson and three executive directors.

The Board has adopted the following principles:

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

Under recommendation 2.1 of the ASX Corporate Governance Council Best Practice Recommendations the 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 company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- Has not within the last three years been employed in an executive capacity by the company or another group member;
- Has not within the last three years been a principal of a material professional advisor or a material consultant to the company or another group member;
- Is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the company or another group member;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company; and
- Is free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

In applying the best practice recommendations for independence the independent directors of the company at the date of this report are:

- Thomas Daniel John Love appointed 1964

The Board has recognised that the following non-executive directors do not comply with all of the independence criteria listed above.

- James William Toland appointed 2001
 - would be considered a substantial shareholder.
- John Roy Westwood appointed 2001
 - would be considered a substantial shareholder;
 - was employed as an executive by the company within the last three years;
 - has a material contractual relationship with the company as disclosed in note 34 of the financial statements.

However, the Board considers that the current composition of the Board is structured in both size and commitment to adequately discharge its responsibilities and duties in addition;

1. Has a proper understanding of, and competence to deal with, the current and emerging issues of the business.
2. Can effectively review and challenge the performance of management and exercise independent judgment.

The Board has considered the following;

1. The size of the company and spread of shares amongst the substantial shareholders.
2. The appointment of additional independent directors would cause undue financial pressure.
3. The experience and personal qualities of the non-executive directors.
4. The skills of the non-executive directors are complimentary to other Board members

5. The non-executive directors are independent of management and other relationships that could materially interfere with the exercise of their unfettered and independent judgment.
6. The Board continues to review its governance structures, including the level of independent directors, as the company develops and changes to ensure that it continues to meet effective governance given the size and specific circumstances of the company.

Given the size and requirements of the company the Board has decided that a nomination committee is not required at this point in time. At present all members of the Board consider the composition of the Board and appointment of new directors.

The company acknowledges directors require high quality information and advice on which to base their decisions and considerations. All directors have the right to seek advice and clarification from the company auditors, financial and legal advisors on any matter relating to the company or Board performance.

Directors additionally have the right to seek independent professional advice to help them carry out their responsibilities. Expenses will need to be approved in advance by the chairperson. If the chairperson is unable or unwilling to give approval, then board approval will be sufficient. Any costs incurred will be borne by the company.

3. PROMOTION OF ETHICAL AND RESPONSIBLE DECISION – MAKING

Code of Conduct

The Board has developed a code of conduct for directors and company officers. 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 behaviour.

A copy of the Oldfields Code of Conduct will be posted on the Corporate Governance section of the Oldfields website.

Share Trading Policy

The Board has developed and adopted a policy concerning trading in company securities by directors, officers and employees. The company and the Board encourage directors, officers and employees to own shares in the company thereby fostering a further link between their interests and the interests of all shareholders.

The key elements of the policy are:

- Insider trading;
- Continuous disclosure;
- When a designated officer must not deal in securities;
- When a designated officer may deal;
- Exceptional circumstances – permission to deal;
- When employees (other than designated officers) may deal;
- When employees (other than designated officers) must not deal;
- Notification of directors' dealing in securities;
- Breach of policy; and
- Speculative dealing.

A copy of the share trading policy will be posted on the Corporate Governance section of the Oldfields website.

4. THE BOARD SAFEGUARDS THE INTEGRITY OF FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer state in writing to the Board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

Audit Committee

The Board has an Audit Committee which:

- Has two members who are non-executive directors;
- Is chaired by Tom Love, an independent non-executive director, who is a Fellow of the Institute of Chartered Accountants in Australia;
- Has a written charter which will be posted to the Corporate Governance section of the Oldfields website;
- Includes members who are all financially literate; and
- Details of the members are disclosed in the Director's Report.

The key elements of the Audit Committee Charter are:

- Role of the Committee;
- Membership;
- Meetings;
- Duties;
- Authority;
- Independence and
- Risk management.

The Board and Audit Committee closely monitor the independence of the external auditor. The Audit Committee meets a minimum of twice a year in private, with management without the external auditor and with the external auditor without management.

5. THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE

The company has established procedures to ensure compliance with ASX Listing Rules 3.1 which requires 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 draft Continuous Disclosure Policy and Procedure has been prepared, but is yet to be formally adopted by the Board.

A copy of the Continuous Disclosure Policy will be posted to the company's web site under the Corporate Governance section.

6. THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS

The company has an effective shareholder communication procedure. The company promotes effective communication with shareholders and encourages effective participation at the company's general meetings.

The company is in the process of developing a new enhanced web site. When complete shareholders will be able to access the following information:

- Copies of all announcements given to the ASX;

- Press releases and copies of letters to shareholders;
- Copies of annual and half year financial reports;
- Details of notices of shareholders meetings including information on general meetings.

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

7. THE BOARD RECOGNISES AND MANAGES RISK

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

An Occupational Health and Safety Committee has been established to monitor and recommend changes to safe working practices and a safe working environment. The chairperson is not a director, and the committee comprises the managing director, senior executive officers and employee representatives.

The Board is currently developing a risk management statement the purpose of which is:

- Identify, assess, monitor and manage risk;
- Inform investors of material changes to the company's risk profile; and
- Enhance the environment for capitalizing on value creation opportunities.

A compliance plan is also being developed to set out key processes, systems and measures that the company will apply to ensure compliance with:

- The Corporations Act; and
- The internal organisational standards and culture.

The compliance plan is an explanatory document, providing details on:

- The measures and procedures in place to comply with these regulations; and
- How compliance with those measures and procedures will be monitored.

The Board intends to establish a Risk Management Committee which will 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 will be required to state in writing to the board that the company's risk management and internal compliance and control system is operating effectively and efficiently in all material aspects.

8. THE BOARD ENCOURAGES ENHANCED PERFORMANCE

Given the size of the company, the Board believes that the shareholders of the company ultimately assess the performance of the Board. The Board continually monitors performance of key executives by measuring performance against key performance indicators.

The Chairman discusses performance with individual directors during the year.

The directors have open access to all relevant information and may meet independently with management at any time to discuss any matters of concern.

The Board will be considering proposed performance evaluation techniques in the coming year .

9. THE BOARD REMUNERATES FAIRLY AND RESPONSIBLY

The Board has a Remuneration Committee which has a documented charter. The members and qualification of the Remuneration Committee are disclosed in the Directors' Report.

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;

A copy of the Remuneration Committee Charter will be posted to the company's web site under the Corporate Governance section.

10. THE BOARD RECOGNISES THE LEGITIMATE INTERESTS OF STAKEHOLDERS

A code of conduct for company stakeholders has been established. The key items of the code are:

- Commitment by the Board and management to the code of conduct;
- Responsibilities to shareholders and the financial community;
- Responsibilities to clients, customers and consumers;
- Employment practices;
- How the company complies with legislation affecting its operations; and

- How the company monitors and ensures compliance with its code.

ASX ADDITIONAL INFORMATION

Additional Information required by the Australian Stock Exchange Ltd. and not shown elsewhere in this report is as follows.

1. Ordinary Shares.

The information is made up to 31 August 2004

(a) Statement of shareholding

Holding range	Names of 20 largest shareholders in each class of share	No. of holders	Ordinary Shares	
			Fully paid	% held
			No. of shares held	
100,001 or more	Coogarah Investments Pty Limited	#	1,069,500	10.45%
	Divpass Pty Limited	#	1,000,000	9.77%
	Wingroad Pty Limited	#	832,082	8.13%
	Marilyn Anne Hext	#	663,984	6.49%
	Oldfield Family Superannuation	#	618,000	6.04%
	Starball Pty Limited	#	540,853	5.28%
	Carryoak Pty Limited		418,000	4.08%
	Milton Corporation Limited		363,900	3.55%
	UFBA Pty Limited	#	326,300	3.19%
	Peter James Hayman		260,000	2.54%
	D H & H B Oldfield	#	262,000	2.56%
	Estate of the Late Brian H Oldfield		252,000	2.46%
	Fairco Pacific Investments		249,000	2.43%
	Sanquhar Investments Pty Limited		204,840	2.00%
	Amanda Hext		136,900	1.34%
	James William Toland	#	132,339	1.29%
	Anthony Mankarios	#	125,712	1.23%
	Robert L Denison		120,000	1.17%
	Eileen Booth		113,400	1.11%
		19	7,688,810	75.11%
10,0001 - 100,000	Christine Bernier	1	71,280	0.70%
		20	7,760,090	75.81%

Total Ordinary Shares Fully Paid 10,236,882

substantial shareholders as defined by section 671B of the Corporations Act