OLDFIELDS HOLDINGS LIMITED
A.B.N. 02 000 307 988

46th

Annual Report

and

Notice of Meeting

2005

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DIRECTORS

J.R. WESTWOOD
Chairman

A MANKARIOS
Managing Director

C.C. HEXT

T.D.J. LOVE

H.B. OLDFIELD

J.W. TOLAND

SECRETARY

G.J. GUILD

AUDITORS

HALL CHADWICK
Chartered Accountants

BANKERS

WESTPAC BANKING CORPORATION

REGISTERED OFFICE

8 FARROW ROAD, CAMPBELLTOWN, NSW 2560
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SHARE REGISTER

REGISTRIES LIMITED
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 46th ANNUAL GENERAL MEETING of Oldfields Holdings Limited will be held at the Registered Office of the Company,
8 Farrow Road, Campbelltown, NSW at 4.00pm on Tuesday 29 November 2005.

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 2005 and the reports by the directors and auditors thereon.

Item 2 – To Elect Two Directors

a. Mr. H. B. Oldfield retires by rotation in accordance with the provisions of the constitution and being eligible, offers himself for re-election.
b. Mr. J. W. Toland retires by rotation in accordance with the provisions of the constitution and being eligible, offers himself for re-election.

Item 3 – To Approve Increases in the Remuneration of the Directors

The remuneration of the Directors of the company has not increased since 1999 and is modest by comparison to other listed entities. We seek approval from shareholders to increase the current remuneration of Directors by 12% for this financial year. In addition, we seek approval to increase the remuneration of the Chairman of the Audit Committee by a further $5,000 per annum.

Item 4 – To Vary the Conditions of the Lease between the Company and Farrow Road Pty Ltd – ACN 059 861 308 – an economic entity controlled by the Chairman

On 12th June 2002 at an "Extraordinary General Meeting of Shareholders" the shareholders approved the sale and leaseback (under the terms stated in the notice of the meeting) of No. 8 Farrow Road, Campbelltown, a property then owned and occupied by the company, to Farrow Road Pty ltd, a company owned by the Chairman, Mr J R Westwood. Relevant terms of the lease were:

- The lease was for 5 years (from 26th June 2002) with an option for a further period of 5 years (from 26th June 2007)
- Annual CPI rental increases were to be applied with a market review of the rental due in the event the option is exercised on 26th June 2007.
- A breach clause existed (clause 2.1) whereby the company could break the lease at any time provided that a penalty of 6 months rent plus outgoings was payable. In addition clause 2.2 stated 2 months notice in writing of the intended break must be given or an additional payment of rent and outgoings made in lieu of notice.

The company now intends to further consolidate its activities at No. 8 Farrow Road by relocating our scaffold manufacturing and some storage from three sites rented in Padstow to No. 8 Farrow Road and one of the sites at Padstow which is leased under a medium term lease.

This change will improve management's control over the manufacturing and save the rental of two of the three sites at Padstow. The management of the company has agreed with Farrow Road Pty Ltd various arrangements to assist the company with the move and in return to enable Farrow Road Pty Ltd to secure its long term rental of the site to the company. The Board of Directors has approved the arrangements. We seek the shareholders approval of the arrangements agreed as follows:

- Farrow Road Pty Ltd has agreed to provide a dollar for dollar rental reduction for any capital funds required to be spent by the company in order to improve the site at Farrow Road so as to make it suitable to relocate the scaffold manufacturing. It is envisaged that in excess of $60,000 will be required to be spent.

- In the event that the expenditure is under $60,000 Farrow Road Pty Ltd agrees to pay the company the difference between the $60,000 and the capital expenditure paid in order to assist it with its relocation expenses.
- That in order that Farrow Road Pty Ltd justifies the above expenditure and in order that the company secures its tenure over the property, the parties have agreed to vary the existing lease so as to allow:
    a. The lease to be amended in order to exercise now the option due on 26th June 2007. This will in effect allow the company to occupy No. 8 Farrow Road until at least 25th June 2012. A market rental review will occur on 25th June 2007 as per the lease, with CPI increases otherwise being applied annually.
    b. To delete Clause 2.1 and 2.2 for both the lease and any option periods including c. below
    c. To allow two further option periods of 5 years each after the expiry of the lease on 25th June 2012, subject to the existing terms and conditions and market reviews at the date any option is exercised.

Item 5 - General

To transact any other business which may be lawfully brought forward.

By Order of the Board

G.J. GUILD

Company Secretary
Dated
Sydney Australia

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. That person need not be a member of the company, but should be a natural person over the age of 18 years. Forms must be lodged at the registered office of the company not less than 28 hours before the time of the meeting.

Proxy From

A proxy form is enclosed with the Notice. If an additional proxy form is required, the Company's secretary will supply it on request.

29th September 2005

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 2005

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.

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, marketing and exporting 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 constrution 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 of the economic entity after providing for income tax and eliminating outside equity interests amounted to $1,189,631.

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:	
Ordinary dividend paid on 28 February 2005, as recommended in last year's report	307,106
Interim ordinary dividend of 2 cents per share paid on 31 May 2005	208,128
Final ordinary dividend of 3.5 cents per share recommended by the Directors	364,223

Review of Operations

The Directors are pleased to announce for the full year ending 30 June 2005, the company made a net profit attributable to members of $1,189,631. This compares to a net profit in the same period last year of $900,067 an increase of 32.20%.
The actual revenues earned from ordinary operations being sales from paint applications Treco Sheds, hire, and sale of scaffolding equipment increased in the 2005 year by 16.2% to $28,364,084, whilst EBIT from these operations increased by 37.4% to $2,240,125 from $1,630,186 in the corresponding 2004 year.

Debt Structure And Gearing

The company's long term and short-term debt structure (including all lease liabilities) is $6.2 Million as at June 2005. The Company's net assets are $12.3M as at June 2005. The Company has since raised a total of $1,040,637 through a fully underwritten 1:8 pro-rata non-renounceable Rights Issue on 11 July, 2005.
An additional 1,300,797 new shares were issued at $0.80 cents per share. This brings the total ordinary shares on issue to 11,707,171. The rights issue closed on 11 July 2005 with normal trading of the new shares commencing on 19 July 2005. The funds raised were used to retire Debt, increase Working Capital, and repay Directors Loans as disclosed in the prospectus.
The company has positioned itself to take advantage of any prospective growth opportunities and has available to it facilities which will enable it to grow.

Dividends

The board has agreed to pay a final dividend of 3.5 cents per share unfranked .This is due to be paid on the 16 December 2005 with the recording date being 18 November 2005. Our company policy is to pay a dividend on an ongoing basis, subject to cash flow restraints. Fully franked dividends will be declared and paid when cumulative previous years' losses have been fully utilised.

Group Operations are reviewed by Division, as under :

Business Structure

The company has been organised into the following divisions

Paint Applications
Treco Garden Sheds
Oldfields Access Hire
Pt Ace Oldfields.
Tangshan Ace Oldfields Painting Accessories Co. Ltd

Paint Application Products

General business was strong during the first half of the year, and then gradually softened towards the later part of the financial year. This was due to the weak new home construction industry, which is widely publicized, especially in NSW where the new controversial Vendor's Tax dampened residential property investor confidence. Most of the notable retailers of home hardware and paint sundry products reported considerable reductions in sales from the previous year.
Despite the weak market conditions, Paint Applications performed reasonably well during the year gaining on market share in its industry. The division is modestly profitable. The division continued to win contracts during the year, despite many retailers warning that inventory consolidation was their main objective. The industry in general is now expected to improve in the later half of 2006, as the NSW State Government has recently announced the abolition of the controversial Vendor's Tax.
The Paint applications industry in Australia is now saturated with many suppliers also opting to import product from low cost countries. Oldfields has become more competitive during the last three years and expects that its China based associate Joint Venture Company, Tangshan Ace Oldfields Painting Accessories Co Ltd's strategies moving into the future will assist in maintaining a prominent market position and in consolidation of our import requirements. We expect modest improved results in 2006.

PT Ace Indonesia

This division is an associated entity that manufactures paint brushes and rollers in Indonesia. The division is profitable. It experienced increased revenue growth during the year and currently, revenue is in line with management's budget. This division produces a high quality product made in South East Asia. The potential to penetrate new global markets is now slowly being realized.
The Directors feel due to new contracts to supply customers in global markets, our share of earnings under equity accounting for this associate will continue to improve into 2006.

Tangshan Ace Oldfields Painting Accessories Co. Ltd

Oldfields International Pty Ltd has invested in a Joint Venture Company (JVC) with associates from our Indonesian manufacturing business and with long standing industry participants known to the company in China. The aim of the JVC is to produce Paint Accessory items not currently produced in Jakarta, in the new factory in China. The JVC is currently building a factory in Tangshan and plans to commence manufacturing certain selected items as soon as possible.
One of the objectives of the recent Rights Issue was to provide Working Capital to pay for our portion of the land purchase in China.
The company has since made further contributions towards the building cost of the factory.
The company has already ceased all Paint Brush manufacturing at its site in Campbelltown NSW and the remaining equipment is planned to be sold to its associates.
We expect considerable interest from overseas markets for the products this JVC will produce.

Access Hire

This business increased revenue significantly over last year with the expansion of its network of branches in Queensland (Qld) and South Australia (SA). These new branches exceeded budgeted forecasts for the year. A great deal of one-off infrastructural costs, including some development costs, totaling approximately $350,000 associated with introducing its new housing market products onto the market were expensed during the year. The consolidated EBITDA for the scaffold division to June 2005 increased on last year despite these one off effects.

The slow down in the housing industry in the later half of the year and an inability to finalize some major contracts in the Temporary Flooring Market resulted in a slow down in earnings. Major construction groups have since notified the company of certain expression of interests in its Housing Market products. We are currently working to develop the first 100% Occupational Health & Safety (OH&S) compliant safety product of its nature. We have organized registered training courses and through TAFE and expect that significant contracts will come on line within the next few months.

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

The company decided to continue to invest in this division with the purchase through its75% owned subsidiary, Adelaide Scaffold Solutions Pty Ltd, of a SA business Scaffold Hirers Pty Limited and Klemzig Contractors Pty Limited, in January 2005.

This entity has since purchased ABC Mobile Scaffolds' business on 1 July 2005. This business has integrated well and as such has exceeded sales targets set by management. This business is currently experiencing solid increases in revenue over last year.

The Division will continue to look for appropriate growth opportunities.

The company will seek further expansion of this nature by way of acquisitions or by way of exclusive distributor license arrangements to take full advantage of emerging technology. The company is looking at cost effective options in this area.

The focus and challenge will be in managing our existing lines and stripping surplus overheads from the business. As a result, a management re-structuring occurred in the early part of August 2005 to provide the necessary focus on our existing range and to reduce overall overheads.

The Division is expected to be a major contributor to the group's earnings growth in the next few years. The groundwork has been set for a market leader category in its particular niche in the growing Scaffold Market. Management reports to August 2005 indicate signs of further improvements to these results thus far .

Treco Garden Sheds

This division is still showing signs of continual improvement. Revenue increased because of new export strategies and the acquisition by the group of Backyard Installations Pty Limited and Shedsplus (NSW) Pty Ltd. These acquisitions were necessary to cater for the "Do it for Me" segment of the market. The company provides Shed installation and sales services and a dealer network for its exclusive range of Garden Sheds, differing from other segments. The company has secured new dealers and distributors in NSW and Victoria and hopes to grow its market share in Qld.

This division was restructured two years ago and has been steadily improving. It now contributes to the overall earnings of the group with a strong positive contribution and with revenue growth. It faced challenges with rising Steel commodity prices during the year that restrained its potential overall earnings and the company is looking into strategies to improve this challenging situation.

The focus in the last twelve months was to provide additional gains in revenue whilst spreading our customer base both nationally and internationally. The company has won new supply contracts in Argentina and is looking for opportunities in Europe and the UK. Future focus will be in maximizing adequate distribution networks with affiliate growth in distribution, and installations of garden storage solution products through our associates.

Despite the recent hardware industry's sluggish outlook, the Company has positive prospects. It is finalising new and innovative product design solutions for the "home backyard" market. The new concepts and its new low cost range have gained significant interest from some of our major hardware customers. We expect that growth in this area will steadily continue to improve this division's performance for the coming year.

This division's manufacturing base occupies most of our current location at No 6 Farrow Road, Campbelltown, NSW, 2560.

Future Outlook

Our Company will consolidate its operations in the next few months with a focus on cost reduction and efficiency gain. Revenue in the first month of this new financial year has been softer than anticipated in some areas of the group's activities, but nevertheless is now showing steady signs of improvement. It will continue to look for acquisition opportunities in the Scaffold Hire industry and will attempt to finalize some major contracts with products it has been developing with major construction companies.

The company's balance sheet has been strengthened by the recent Non-Renounceable Pro-Rata 1:8 Rights Issue. $1,040,637 was raised by issuing 1,300,797 new shares at an attractive discounted (to market) price of $0.80. Our debt to equity ratio is now in line, if not below, industry participants operating in the same industries and markets.

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

The Directors are keen to maintain good Corporate Governance. Recent updates have been posted to our new corporate website www.oldfields.com.au and the Board undertakes to keep the market regularly informed of company progress. It is our goal to continue to improve shareholder value over the next 12 months.

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 complimentary business activities. The company recognizes it has strong synergy possibilities with other key groups and will encourage discussion with interested parties in light of its sustained proven strong earnings history.

After Balance Date Events

On 19 July 2005, the company's total shares on issue stood at 11,707,171 ordinary shares after the successful completion of a Fully Underwritten 1:8 Pro-Rata, Non-Renounceable Rights Issue raising $1,040,637 additional funds at an attractive 0.80 share price. The Rights Issue closed on 11 July 2005 with normal trading of the new shares commencing on 19 July 2005.

Other than the above, no other 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.

Environmental Issues

The economic entity's manufacturing operations are not subject to significant environmental regulations under the law of the Commonwealth and State. The economic entity has established a process whereby compliance with existing environmental regulations and new regulations is monitored continually. This process includes procedures to be followed should an incident occur which adversely impacts the environment. The directors are not aware of any significant breaches during the period covered by this report.

Information on Directors

John R Westwood	—	Chairman (Non Executive), Age 54
Qualifications	—	Accountant
Experience	—	Appointed Chairman 12 August, 2002. Board member since 2001. Mr. Westwood has 27 years experience in the Building Materials Industry holding many senior accounting positions and is an experienced administrator of both small and medium sized companies.
Special Responsibilities	—	Mr Westwood is a Member of the Remuneration Committee.
Directorships held in other listed entities	—	Nil

Anthony Mankarios	—	Managing Director, Age 38
Qualifications	—	Fellow of the Australian Institute of Company Directors; Master of Business Administration (SGSM). Certified Finance and Treasury Professional.
Experience	—	Appointed Managing Director 10 October 2002. Board member since 2001. Mr Mankarios was previously involved for 13 years in all aspects of the running and administration of a group of companies in the paint industry.
Interest in Shares and Options	—	As detailed below.
Special Responsibilities	—	Mr Mankarios is a Member of the Remuneration Committee.
Directorships held in other listed entities		Nil
Thomas D J Love	—	Director (Non Executive), Age 74.
Qualifications	—	Fellow of the Institute of Chartered Accountants
Experience	—	Mr. Love was a partner in firms of Chartered Accountants for 40 years and has been a director since 1964. Mr. Love has also been a director of a number of Australian and overseas publically listed and private companies
Interest in Shares and Options	—	As detailed below.
Special Responsibilities	—	Mr. Love is a Member of the Audit Committee
Directorships held in other listed entities	—	Nil
Christopher C Hext	—	Finance Director (Non Executive), Age 53.
Qualifications	—	Batchelor of Business (Accounting); Registered Tax Agent; Justice of the Peace
Experience	—	Board member since 2001. Mr. Hext was a Certified Practicing Accountant and has held senior accounting and management positions in companies of all sizes.
Interest in Shares and Options	—	As detailed below.
Special Responsibilities	—	Mr. Hext is Chairman of the Audit Committee
Directorships held in other listed entities	—	Nil
Hugh B Oldfield	—	Executive Director, Aged 28.
Qualifications	—	Batchelor of Business (Accounting and Business Management)
Experience	—	Board member since 2001. Mr. Oldfield is employed as a business manager and has been actively involved with the company since 1996
Interest in Shares and Options	—	As detailed below.
Special Responsibilities	—	Treco Business Manager
Directorships held in other listed entities	—	Nil
James W Toland	—	Non Executive; Age 54.
Qualifications	—	Industrial Chemist
Experience	—	Board member since 2001. Mr Toland has extensive experience in the paint and chemical industry. He is also a real estate developer with extensive commercial experience.
Interest in Shares and Options	—	As detailed below.
Special Responsibilities	—	Mr. Toland is a Member of the Audit Committee and the Remuneration Committee.
Directorships held in other listed entities	—	Nil

Directors' Shareholdings

	Balance 1.7.04	Received as Remuneration	Options Exercised	Net Change Other*		Balance 30.6.05
John R Westwood	1,394,429	-	-	121,850	-	1,516,279
Anthony Mankarios	666,574	-	-	5,000	-	671,574
Christopher C Hext	33,172	-	-	-	-	33,172
James W Toland	964,421	-	-	5,000	-	969,421
Hugh B Oldfield	2,171,000	-	-	564,000	-	2,735,000
Thomas D J Love	204,840	-	-	(134,000)	-	70,840
Total	5,434,436	-	-	561,850	-	5,996,286

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

Directors' Rights and Options Holdings

	Balance 1.7.04	Granted as Remuneration	Options Exercised*	Net Change Other*	Balance 30.6.05		Total Vested 30.6.05	Total Exercisable 30.6.05	Total Unexercisable 30.6.05
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	-

No options were granted or exercised during the year.

Remuneration Report

This report details the nature and amount of remuneration for each director of Oldfields Holdings Limited and for the executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy of Oldfields Holdings Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Oldfields Holdings Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the remuneration committee and approved by the board after seeking professional advice from independent external consultants. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives. The remuneration committee reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of executives is measured against criteria agreed biannually with each executive and is based predominantly on the forecast growth of the economic entity's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.
The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.
All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.
The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and

reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

Performance Based Remuneration

As part of each executive director and executives remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with directors/executives to ensure buy-in. The measures are specifically tailored to the areas each director/executive is involved in and has a level of control over. The KPIs target areas the board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the group's goals and shareholder wealth, before the KPIs are set for the following year.
In determining whether or not a KPI has been achieved, Oldfield Holdings Limited bases the assessment on audited figures.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. There have been two methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy to have been effective in increasing shareholder wealth over the past four years.
The following table shows the gross revenue, profits and Share Price for the last five years for the listed entity, as well as the share price at the end of the respective financial years. Analysis of the actual figures shows an increase in profits each year as well as an increase or maintenance of dividends paid to shareholders. The improvement in the company's performance over the last five years has been reflected in the company's share price with an increase each year, with the exception of 2002, when the share price fell slightly. The board is of the opinion that these results can be attributed in part to the previously described remuneration policy and is satisfied that this continued improvement has lead to increased shareholder wealth over the past four years.

	2001	2002	2003*	2004*	2005*
Revenue	43,892,248	43,668,512	36,691,964	24,409,710	28,364,064
Net Profit	-1,180,395	-4,302,969	1,788,793	900,067	1,189,631
Share Price at Year-end	$0.80	$0.50	$0.86	$1.00	$0.90

* From 1 January, 2003, the Group's interest in PT Ace Oldfields was reduced to 49% and it has been accounted for as an Associated Entity from that date.

Details of Remuneration for Year Ended 30 June 2005

The remuneration for each director and each of the three executive officers of the consolidated entity receiving the highest remuneration during the year was as follows:

	Salary, Fees and Commissions	Superannuation Contribution	Cash Bonus	Non-cash Benefits	Options	Total
	$	$	$	$	$	$
Directors						
John R Westwood	40,000	-	-	17,287	-	57,287
Anthony Mankarios	182,600	16,434	-	23,825	212	223,071
Thomas D J Love	25,000	-	-	911	-	25,911
Christopher C Hext	102,750	-	-	-	42	102,792
Hugh B Oldfield	72,200	6,498	-	3,685	42	82,425
James W Toland	25,000	-	-	-	-	25,000
Specified Executives						
Kenneth Holloway	45,900	-	-	4,789	42	50,731
Raymond Tilman	80,987	7,289	-	16,308	42	104,626
Gary J Guild	45,102	4,569	-	9,394	-	59,065
	619,539	34,790	-	76,199	380	730,908

Performance Income as a Proportion of Total Remuneration
Executive directors and executives are paid performance based bonuses based on set monetary figures, rather than proportions of their salary. This has led to the proportions of remuneration related to performance varying between individuals. The remuneration committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the economic entity. The remuneration committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods.

Options Issued as Part of Remuneration for the Year Ended 30 June 2005
No options were issued to directors and executives as part of their remuneration in the year ended 30 June 2005.

Employment Contracts of Directors and Senior Executives
The employment conditions of the managing director, the executive director and specified executives are formalised in contracts of employment. Other than the managing director, all executives are permanent employees of The Oldfields Group.

The employment contracts stipulate a range of one- to three-month resignation periods. The company may terminate an employment contract without cause by providing 12 months written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment of between 5% and 10% of the individual's fixed salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time. Any options not exercised before or on the date of termination will lapse.

Directors' and Executive Officers' Emoluments
Disclosure relating to Directors' and Executive Officers' emoluments as included in Note 5 of the financial report.

Directors' Remuneration

2005

	Primary			
	Fees & Commissions $	ation Contribution $	Cash Bonus $	Non-Cash Benefits $
John R Westwood	40,000	-	-	17,287
Anthony Mankarios	182,600	16,434	-	23,825
Thomas D J Love	25,000	-	-	911
Christopher C Hext	102,750	-	-	-
Hugh B Oldfield	72,200	6,498	-	3,685
James W Toland	25,000	-	-	-
	447,550	22,932	-	45,708

	Post Employme Superannuation	Equity Options $	Other $	Total $
John R Westwood	-	-	-	57,287
Anthony Mankarios	-	212	-	223,071
Thomas D J Love	-	-	-	25,911
Christopher C Hext	-	42	-	102,792
Hugh B Oldfield	-	42	-	82,425
James W Toland	-	-	-	25,000
	-	296	-	516,486

2004

	Primary			
	Salary & Fees $	ation 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	54,870

	Post Employme Superannuation	Equity Options $	Other $	Total $
John R Westwood	-	-	-	58,169
Anthony Mankarios	-	152	-	227,316
Thomas D J Love	-	-	-	25,000
Christopher C Hext	-	30	-	144,518
Hugh B Oldfield	-	30	-	81,026
James W Toland	-	-	-	25,000
	-	212	-	561,029

Specified Executives' Remuneration

2005

	Primary			
	Fees $	ation Contribution	Cash Bonus $	Non-Cash Benefits $
Kenneth E Holloway	45,900	-	-	4,789
Raymond J Titman	80,987	7,289	-	16,308
Gary J Guild	45,102	4,569	-	9,394
	171,989	11,858	-	30,491

	Post Employme Superannuation	Equity Options $	Other $	Total $
Kenneth E Holloway	-	42	-	50,731
Raymond J Titman	-	42	-	104,626
Gary J Guild	-	-	-	59,065
	-	84	-	214,422

2004

	Primary			
	Salary and 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 $
Kenneth E Holloway	-	30		69,285
Raymond J Titman	-	30		107,514
	-	60	-	176,799

Meetings of Directors

During the financial year, 10 meetings of directors (not including committees of directors) were held. Attendances by each director during the year were:

	Directors' Meetings		Committee Meetings				
			Audit			Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended		Number eligible to attend	Number attended
John R Westwood	10	10	-	-		2	2
Anthony Mankarios	10	10	-	-		2	2
Thomas D J Love	10	10	4	4		-	-
Christopher C Hext	10	10	2	2		-	-
Hugh B Oldfield	10	10	-	-		-	-
James W Toland	10	10	4	4		2	2

Indemnifying Officers or Auditor

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The Insurance Policy prohibits disclosure of the amount of the premium.

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

Options

No options were granted over unissued shares or interest during or since the financial year by the company or controlled entity to directors or any of the five most highly remunerated officers as part of their remuneration.

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

Grant Date	Date of expiry	Exercise price	Number under option
03.11.03	02.11.06	$1.20	149,500
19.11.03	18.11.06	$1.20	350,000
			499,500

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

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.

Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

	$
Taxation services	24,445
Due diligence investigations	14,077
	38,522

Auditor's Independence Declaration

The lead auditor's Independence Declaration for the year ended 30 June 2005 has been received and can be found on page 10 of the directors' report.

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

Director .... *Anthony Mankarios* ....

Dated this ....30 th.... day of ....September.... 2005

OLDFIELDS HOLDINGS LIMITED
ABN 02 000 307 988
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF OLDFIELDS HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2005, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick
Level 29, 31 Market Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Date: 30 September 2005

Sydney

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St. Martins Tower
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Sydney, NSW 2000

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or
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OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Sales revenue	2	20,183,112	18,601,217	-	-
Cost of sales		(14,727,958)	(13,397,548)	-	-
Gross profit		5,455,154	5,203,669	-	-
Other revenues from ordinary activities	2	8,180,972	5,808,493	377,736	-
Distribution expenses		(7,514,603)	(4,771,012)	-	-
Marketing expenses		(843,363)	(794,267)	-	-
Occupancy expenses		(1,010,510)	(805,931)	-	-
Administration expenses		(2,303,774)	(3,001,593)	-	-
Borrowing costs expense	3	(658,599)	(341,071)	-	-
Share of net profits of associates and joint ventures accounted for using the equity method		276,249	(9,173)	-	-
Profit from ordinary activities before income tax expense	3	1,581,526	1,289,115	377,736	-
Income tax expense relating to ordinary activities	4	(404,877)	(389,049)	-	-
Profit from ordinary activities after related income tax expense		1,176,649	900,067	377,736	-
Net Loss attributable to outside equity interests		12,982	-	-	-
Net profit attributable to members of the parent entity		1,189,631	900,067	377,736	-
Net exchange difference on translation of financial report of self-sustaining foreign operations	26c	38,155	(328,736)	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		38,155	(328,736)	-	-
Total changes in equity other than those resulting from transactions with owners as owners		1,227,786	571,331	377,736	-
Basic earnings per share (cents per share)	8	11.43	7.25		
Diluted earnings per share (cents per share)	8	10.92	8.43		

The accompanying notes form part of these financial statements.

OLDFIELDS HOLDINGS LIMITED 02 000 307 988
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
CURRENT ASSETS					
Cash assets	9	309,539	235,687	28,120	31,631
Receivables	10	3,519,920	4,891,030	1,908,605	1,609,021
Inventories	11	4,609,943	4,759,700	-	-
Other	20	744,058	477,366	-	-
TOTAL CURRENT ASSETS		9,183,460	10,363,783	1,936,725	1,640,652
NON-CURRENT ASSETS					
Receivables	10	1,140	-	-	-
Investments accounted for using the equity method	12	1,383,183	1,227,529	-	-
Other financial assets	15	210,620	1,430	7,209,076	7,209,076
Property, plant and equipment	17	9,408,123	7,366,426	-	-
Deferred tax assets	18	1,816,323	2,684,606	1,475,066	2,343,349
Intangible assets	19	902,831	7,451	-	-
Other	20	53,608	51,439	-	-
TOTAL NON-CURRENT ASSETS		13,775,828	11,338,881	8,684,142	9,552,425
TOTAL ASSETS		22,959,288	21,702,664	10,620,867	11,193,077
CURRENT LIABILITIES					
Payables	21	3,387,040	4,126,493	877,546	1,048,852
Interest-bearing liabilities	22	2,715,164	2,606,020	-	-
Current tax liabilities	23	5,015	-	5,015	-
Provisions	24	826,903	663,089	-	-
TOTAL CURRENT LIABILITIES		6,934,122	7,395,602	882,561	1,048,852
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	22	3,509,088	2,554,195	-	-
Deferred tax liabilities	23	94,873	563,294	94,873	563,294
Provisions	24	114,405	82,342	-	-
TOTAL NON-CURRENT LIABILITIES		3,718,366	3,199,831	94,873	563,294
TOTAL LIABILITIES		10,652,488	10,595,433	977,434	1,612,146
NET ASSETS		12,306,800	11,107,231	9,643,433	9,580,931
EQUITY					
Contributed equity	25	8,725,550	8,525,550	8,725,550	8,525,550
Reserves	26	682,124	643,969	901,620	901,620
Retained profits	27	2,612,109	1,937,712	16,263	153,761
Parent entity interest		12,019,783	11,107,231	9,643,433	9,580,931
Outside equity interest	28	287,017	-	-	-
TOTAL EQUITY		12,306,800	11,107,231	9,643,433	9,580,931

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 2005

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		26,668,063	25,872,416	-	1,966
Interest received		2,154	2,726	165	-
Payments to suppliers and employees		(23,884,989)	(25,268,634)	(1,204)	-
Borrowing costs		(555,760)	(307,832)	-	-
Net cash provided by (used in) operating activities	32a	**2,229,468**	**298,676**	(1,039)	1,966
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		33,000	172,162	-	-
Transfer of funds from wholly owned subsidiaries		-	-	515,234	214,738
Purchase of property, plant and equipment		(1,729,390)	(2,965,073)	-	-
Purchase of scaffolding businesses		(800,000)	-	-	-
Net cash provided by (used in) investing activities		(2,496,390)	(2,792,911)	515,234	214,738
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		-	350,000	-	350,000
Proceeds from borrowings		1,010,000	1,622,000	-	-
Repayment of borrowings		(228,422)	(19,040)	-	-
Dividends paid by parent entity		(517,706)	(535,348)	(517,706)	(535,348)
Net cash provided by (used in) financing activities		263,872	1,417,612	(517,706)	(185,348)
Net increase in cash held		(3,050)	(1,076,623)	(3,511)	31,356
Cash at 1 July 2004		(799,903)	276,720	31,631	275
Cash at 30 June 2005	9	(802,953)	(799,903)	28,120	31,631

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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 wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime.Oldfields Holdings Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group.The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to net profit before tax of the tax 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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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

Class of Fixed Asset	Depreciation Rate
Buildings	1%
Leasehold improvements	4-5%
Plant and equipment	5-50%
Leased plant and equipment	18-20%

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 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. The parent entity's interests in joint venture entities are brought to account using the cost method.

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. **Intangibles**

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net tangible assets at date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

Patents and Trademarks

Patents and Trademarks are valued in the accounts at cost of acquisition and are amortised over the period in which their benefits are expected to be realised.

k. **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.

l. **Employee Entitlements**

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, annual leave and sick 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

m. **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.

n. **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).

o. **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

p. **Comparative Figures**

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

q **Impact of Adoption of Australian Equivalents to International Financial Reporting Standards**

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 July 2005. The adoption of AIFRS will be reflected in the economic entity's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004

The economic entity's management, has assessed the significance of the expected changes and is preparing for their implementation. The entity's management is overseeing and managing the economic entity's transition to AIFRS. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The directors are of the opinion that the key material differences in the economic entity's accounting policies on conversion to AIFRS and the financial effect of these differences, where known, are as follows. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the economic entity's management.

(i) Research and Development Expenditure

Under AASB 138: Intangible Assets, costs associated with the research phase of the development of an asset must be expensed. This will result in a change in the current accounting policy, which capitalises research costs 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.

On transition to AIFRS research and development costs of $53,608 will be written off against retained profits. This will result in a decrease in profit amounting to $7,231 for year ended 30 June 05.

(ii) Impairment of Assets

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often.

The economic entity has reassessed its impairment testing policy and tested all assets for impairment as at 1 July 2005. The financial effect after transition to AIFRS is not expected to be material.

(iii) Goodwill on Consolidation

Under AASB 3: Business Combinations, goodwill is capitalised to the statement of financial position and subjected to an annual impairment test. Amortisation of goodwill is prohibited. Current accounting policy of the entity is to amortise goodwill on a straight-line basis over a period of 20 years.

Impairment testing as at 1 July 2005 confirmed no impairment of the $929,517 goodwill less accumulated amortisation of $34,735 as disclosed in the economic entity's financial statements at 30 June 2005. This will result in an increase in profit amounting to $34,735 for the year ended 30 June 2005.

(iv) Non-current Investments

Under AASB 139: Financial Instruments: Recognition and Measurement, financial assets are required to be classified into four categories, which determines the accounting treatment of the item. The categories and various treatments are:

— held to maturity, measured at amortised cost;

— held for trading, measured at fair value with unrealised gains or losses charged to the profit and loss;

— loans and receivables, measured at amortised cost; and

— available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

AASB 1 provides an election whereby the requirements of AASB 139 dealing with financial instruments are not required to be applied to the first AIFRS comparative year, and the first time adoption of this standard will apply from 1 July 2005. The economic entity has decided that it will adopt this election and will not restate comparative information for the 30 June 2005 financial year.

(v) Income Tax

Currently, the economic entity 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 AASB 112: Income Taxes, 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.

The financial affect after transition to AIFRS is not expected to be material.

(vi) Share based payments

Equity-settled share based payments in respect of equity instruments issued after 7 November 2002 that were unvested as at 1 January 2004 are measured at fair value at grant date. The fair value determined at grant date of equity-settled share-based payments is expensed on a straight-line basis over the veting period, based on the estimated number of equity instruments that will vest. The financial effect has been calculated to be $414.

On transition to AIFRS the estimated cumulative financial effect of the reliably known differences on the parent and economic entity's reported net profit and equity as at 30 June 2005 is summarised below. As noted above, these amounts represent management's best estimates, and could differ from actuals.

		Economic Entity 2005** $	Parent Entity 2005** $
Reconciliation of Net Profit			
Net profit reported under Australian Accounting Standards		1,189,631	377,736
Key transitional adjustments:			
— Write back of amortization of goodwill	1(iii)	34,735	-
— Recognition of share based payments expense	1(vi)	(414)	-
— Derecognition of Research and Development Cost	1(i)	(7,231)	-
Total transitional adjustments		27,090	-
Net profit under AIFRS		1,216,721	377,736
Reconciliation of Equity			
Total equity reported under Australian Accounting Standards		12,306,800	9,643,433
Retrospective adjustments to equity at 1 July 2004:			
— Write back of amortization of goodwill	1(iii)	34,735	-
— Recognition of share based payments expense	1(vi)	(414)	-
— Derecognition of Research and Development Cost	1(i)	(53,608)	-
Total transitional adjustments		(19,287)	-
Adjustments to other reserves (net of tax)			
Recognition of share based payments expense	1(vi)	414	
Total equity under AIFRS		12,287,927	9,643,433

**This column represents the cumulative adjustments

Note 2 Revenue

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Operating activities					
— sale of goods		20,183,112	18,601,217	-	-
— dividends received from wholly owned subsidiaries		-	-	377,736	-
— interest received	2a	107,429	2,702	-	-
— government subsidies received		-	46,106	-	-
— other revenue from operating activities		-	57,104	-	-
— rental revenue		7,982,355	5,515,807	-	-
— Commission		3,413	14,612	-	-
		28,276,309	24,237,548	377,736	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Non-operating activities				
— proceeds on disposal of property, plant and equipment	40,273	172,162	-	-
— other revenue from non-operating activities	47,502	-	-	-
	87,775	172,162	-	-
Total Revenue	28,364,084	24,409,710	377,736	-
a. **Interest revenue from:**				
— wholly-owned controlled entities	107,325	-	-	-
— other persons	104	2,702	-	-
Total interest revenue	107,429	2,702	-	-

Note 3 Profit from Ordinary Activities

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
Profit from ordinary activities before income tax has been determined after:				
a. **Expenses:**				
Cost of sales	14,727,958	13,397,548	-	-
Borrowing costs:				
— other persons	658,599	341,071	-	-
Total borrowing costs	658,599	341,071	-	-
Depreciation of non-current assets:				
— buildings	3,081	2,736	-	-
— plant and equipment	524,668	648,903	-	-
— leased plant and equipment	263,679	137,035	-	-
Total depreciation	791,428	788,674	-	-
Amortisation of non-current assets:				
— research and development expenditure	7,231	6,880	-	-
— goodwill	34,735	-	-	-
Total amortisation	41,966	6,880	-	-
Bad and doubtful debts:				
— trade debtors	7,712	12,339	-	-
Total bad and doubtful debts	7,712	12,339	-	-
Contingent rentals on finance leases	296,906	97,909	-	-
b. **Revenue and Net Gains**				
Net gain on disposal of non-current assets:				
— property, plant and equipment	(32,615)	(55,150)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Note 4 Income Tax Expense

	Economic Entity 2005	Economic Entity 2004	Parent Entity 2005	Parent Entity 2004
	$	$	$	$
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% (2004:30%)				
— Economic entity	474,458	386,735	-	-
— Parent entity	-	-	113,321	-
— other members of the income tax consolidated group net of intercompany transactions	-	-	414,252	386,735
	474,458	386,735	527,573	386,735
Add:				
Tax effect of:				
— non-deductible depreciation and amortisation	10,409	821	-	-
— other non-allowable items	6,869	7,163	-	-
	491,736	394,719	527,573	386,735
Less:				
Tax effect of:				
— foreign currency exchange profit not subject to income tax	78,726	60,289	-	-
— share of net profits of associates and joint venture entities	(1,769)	(54,619)	-	-
— deductible items not recouped	9,902	-	-	-
— dividends received from Subsidiaries	-	-	113,321	-
Income tax expense attributable to profit from ordinary activities before income tax	404,877	389,049	414,252	386,735
Allocation of income tax expense to wholly-owned subsidiaries under the Tax Sharing Agreement	-	-	(414,252)	(386,735)
Income tax attributable to parent entity	404,877	389,049	-	-
Income tax expense attributable to:				
Profit from ordinary activities before income tax	404,877	389,049	-	-

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	Director - Non Executive
Hugh B Oldfield	Director - Executive
James W Toland	Director - Non Executive

Specified Executives

Kenneth E Holloway	Marketing Director - Oldfields Pty Limited
Raymond J Titman	Business Manager - Oldfields Paint Applications
Gary J Guild	Group Financial Controller/Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

b. **Parent Entity Directors' Remuneration**

2005

	Primary			
	Salary, Fees & Commissions	Superannuation Contribution	Cash Bonus	Non-Cash Benefits
	$	$	$	$
John R Westwood	40,000	-	-	17,287
Anthony Mankarios	182,600	16,434	-	23,825
Thomas D J Love	25,000	-	-	911
Christopher C Hext	102,750	-	-	-
Hugh B Oldfield	72,200	6,498	-	3,685
James W Toland	25,000	-	-	-
	447,550	22,932	-	45,708

	Post Employment	**Equity**	**Other**	**Total**
	Superannuation	Options		
	$	$	$	$
John R Westwood	-	-	-	57,287
Anthony Mankarios	-	212	-	223,071
Thomas D J Love	-	-	-	25,911
Christopher C Hext	-	42	-	102,792
Hugh B Oldfield	-	42	-	82,425
James W Toland	-	-	-	25,000
	-	296	-	516,486

2004

	Primary			
	Salary & Fees	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	54,870

	Post Employment	**Equity**	**Other**	**Total**
	Superannuation	Options		
	$	$	$	$
John R Westwood	-	-	-	58,169
Anthony Mankarios	-	152	-	227,316
Thomas D J Love	-	-	-	25,000
Christopher C Hext	-	30	-	144,518
Hugh B Oldfield	-	30	-	81,026
James W Toland	-	-	-	25,000
	-	212	-	561,029

The service and performance criteria set to determine remuneration are included per note (f) below.

c. **Specified Executives' Remuneration**

2005

	Primary			
	Salary & Fees	Superannuation Contribution	Cash Bonus	Non-Cash Benefits
	$	$	$	$
Kenneth E Holloway	45,900	-	-	4,789
Raymond J Titman	80,987	7,289	-	16,308
Gary J Guild	45,102	4,569	-	9,394
	171,989	11,858	-	30,491

	Post Employment	Equity	Other	Total
	Superannuation	Options		
	$	$	$	$
Kenneth E Holloway	-	42	-	50,731
Raymond J Titman	-	42	-	104,626
Gary J Guild	-	-	-	59,065
	-	84	-	214,422

2004

	Primary			
	Salary and 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	Equity	Other	Total
	Superannuation	Options		
	$	$	$	$
Kenneth E Holloway	-	30	-	69,285
Raymond J Titman	-	30	-	107,514
	-	60	-	176,799

The service and performance criteria set to determine remuneration are included per note (f) below.

d. **Options and Rights Holdings**

Number of Options held by Specified Directors & Executives

	Balance 1.7.04	Granted as Remuneration	Options Exercised*	Net Change Other*	Balance 30.6.05	Total Vested 30.6.05	Total Exercisable 30.6.05	Total Unexercisable 30.6.05
Directors								
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	450,000	-	-	-	450,000	-	450,000	-

No options were granted or exercised during the year.

There were no options issued to other Directors & Executives

e. **Shareholdings**

Number of Shares held by Parent Entity Directors and Specified Executives

	Balance 1.7.04	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.05
Parent Entity Directors					
John R Westwood	1,394,429	-	-	121,850	1,516,279
Anthony Mankarios	666,574	-	-	5,000	671,574
Christopher C Hext	33,172	-	-	-	33,172
James W Toland	964,421	-	-	5,000	969,421
Hugh B Oldfield	2,171,000	-	-	564,000	2,735,000
Thomas D J Love	204,840	-	-	(134,000)	70,840
Specified Executives					
Keneth E Holloway	5,740	-	-	-	5,740
Raymond J Titman	5,000	-	-	-	5,000
Gary J Guild	-	-	-	-	-
Total	5,445,176	-	-	-	6,007,026

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

f. **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.
The company may terminate the contracts without cause by providing 12 months written notice or making payment in lieu of notice based on the individual's annual salary component together with a redundancy payment of between 5%–10% of the individual's fixed salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time. Any options not exercised before or on the date of termination will lapse.

The group seeks to emphasise payment for results through providing various cash bonus reward schemes, specifically, the incorporation of incentive payments based on the achievement of sales targets and return on equity ratios.The objective of the reward schemes is to both reinforce the short and long-term goals of the company and to provide a common interest between management and shareholders. A bonus was granted to a specified director on 28 July 2005. There has been no alteration to the terms of the bonuses paid since grant date.

Note 6 Auditors' Remuneration

	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	58,600	78,500	-	-
— other services	38,522	23,700	-	-

Note 7 Dividends

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Final unfranked ordinary dividend of 3 cents per share [2003: unfranked dividend of 2 cents per share]		307,106	202,106	307,106	202,106
Interim unfranked ordinary dividend of 2 cents per share [2004: unfranked dividend of 2 cents per share]		208,128	204,738	208,128	204,738
Unfranked redeemable preference dividend Nil (2004 : 3 cents per share)		-	157,500	-	157,500
	27	515,234	564,344	515,234	564,344
a. Proposed final unfranked ordinary dividend of 3.5 cents (2004 : 3 cents)		364,223	307,106	364,223	307,106

Note 8 Earnings per Share

	Economic Entity 2005 $	Economic Entity 2004 $
a. **Reconciliation of Earnings to Net Profit or Loss**		
Net profit	1,176,649	900,067
Net profit attributable to outside equity interest	12,982	-
Redeemable and converting preference share dividends	-	(157,500)
Earnings used in the calculation of basic EPS	1,189,631	742,567
Dividends on converting preference shares	-	157,500
Earnings used in the calculation of dilutive EPS	1,189,631	900,067
b. **Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS**	10,406,374	10,236,682
Weighted average number of options outstanding	487,500	441,466
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	10,893,874	10,678,148

Note 9 Cash Assets

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Cash at bank		309,539	235,687	28,120	31,631
		309,539	235,687	28,120	31,631

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:

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Cash		309,539	235,687	28,120	31,631
Bank overdrafts	22	(1,112,492)	(1,035,590)	-	-
		(802,953)	(799,903)	28,120	31,631

Note 10 Receivables

	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
CURRENT				
Trade debtors	3,209,371	4,571,139	-	-
Provision for doubtful debts	(94,814)	(210,157)	-	-
	3,114,557	4,360,982	-	-
Other debtors	285,767	239,597	-	-
Amounts receivable from:				
— wholly-owned subsidiaries	-	-	1,908,605	1,609,021
— associated entities	119,596	290,451	-	-
	3,519,920	4,891,030	1,908,605	1,609,021
NON-CURRENT				
Amounts receivable from:				
— associated entities	1,140	-	-	-
	1,140	-	-	-

Note 11 Inventories

	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
CURRENT				
Raw materials and stores at cost	720,928	969,897	-	-
Work in progress at cost	744,492	748,215	-	-
Finished goods at cost	3,144,523	3,041,588	-	-
	4,609,943	4,759,700	-	-

Note 12 Investments Accounted for Using the Equity Method

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Associated companies	13	1,236,540	1,109,785	-	-
Interests in joint venture entities	14	146,643	117,744	-	-
		1,383,183	1,227,529	-	-

Note 13 Associated Companies

Interests are held in the following associated companies

Name	Principal Activities		Ownership Interest 2005 %	Ownership Interest 2004 %	Carrying Amount of Investment 2005 $	Carrying Amount of Investment 2004 $
Unlisted:						
Tangshan Ace Oldfields Painting Accessories Co. Limited	Paint Brush Manufacturers	Ord	35		-	-
PT Ace Oldfields	Paint Brush Manufacturers	Ord	49	49	1,132,342	1,271,178
Oldfields (NZ) Limited		Ord	100	100	98,102	
Backyard Installations Pty Limited	Garden Shed Installation	Ord	100	45	-	(160,205)
Concrete Pumping Systems	Concrete Suppliers	Ord	25	25	-	-
Brisbane Garden Sheds Pty Limited	Garden Shed Supplier	Ord	50	50	4,811	(1,238)
Adelaide Garden Sheds Pty Limited	Garden Shed Supplier	Ord	50	50	1,285	50
					1,236,540	1,109,785

		Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
a.	**Movements During the Year in Equity Accounted Investment in Associated Companies**				
	Balance at beginning of the financial year	1,109,786	1,719,738	-	-
Add:	New investments during the year	56	95	-	-
	Share of associated company's profit from ordinary activities and extraordinary items after income tax	9,943	(228,500)	-	-
	Share of associated company's reserve increments during the year	116,755	(381,548)	-	-
	Balance at end of the financial year	1,236,540	1,109,785	-	-
b.	**Retained Earnings Attributable to Associate**				
	Share of associate's profit from ordinary activities before income tax expense	9,943	(228,500)	-	-
	Share of associate's income tax expense				
	Share of associate's profit from ordinary activities after income tax	9,943	(228,500)	-	-
	Share of retained profits at beginning of the financial year	1,006,727	1,235,227	-	-
	Share of retained profits at end of the financial year	1,016,670	1,006,727	-	-
c.	**Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associates**				
	Current Assets	4,881,651	7,412,728	-	-
	Non-Current Assets	1,901,033	2,021,012	-	-
	Total Assets	6,782,684	9,433,740	-	-
	Current Liabilities	1,799,136	4,372,684	-	-
	Non-Current Liabilities	2,510,239	2,829,642	-	-
	Total Liabilities	4,309,375	7,202,326	-	-
	Net Assets	2,473,309	2,231,414	-	-
	Net Profit/(Loss) from ordinary activities of associates after Income Tax	9,943	(228,500)	-	-

Note 14 Joint Ventures

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
a. Interests in Joint Venture Entities				
A controlled entity Oldfields (NZ) Limited 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	117,744	9,196	-	-
— share of joint venture's profit from ordinary activities after income tax	266,306	219,327	-	-
— distribution received	(237,407)	(110,779)	-	-
Balance at the end of the financial year	146,643	117,744	-	-
ii. Carrying amount of investment in joint venture entity:				
Balance at beginning of the financial year	117,744	9,196	-	-
— share of profit from ordinary activities after income tax	266,306	219,327	-	-
— additional investments made during year	-	-	-	-
— profit distribution	(237,407)	(110,779)	-	-
Balance at the end of the financial year	146,643	117,744	-	-
iii. Share of joint venture entity's results and financial position:				
Current Assets	2,780,633	4,712,534	-	-
Non-Current Assets				
Total Assets	2,780,633	4,712,534	-	-
Current Liabilities	2,481,363	4,472,240	-	-
Non-Current Liabilities				
Total Liabilities	2,481,363	4,472,240	-	-
Revenues	4,582,331	4,963,025	-	-
Expenses	4,316,025	4,743,698	-	-
Profit from ordinary activities before income tax	266,306	219,327		
Income tax expense	-	-	-	-
Profit from ordinary activities after income tax	266,306	219,327	-	-

Note 15 Other Financial Assets

		Economic Entity		Parent Entity	
		2005	2004	2005	2004
	Note	$	$	$	$
NON-CURRENT					
Listed investments, at cost					
— shares in other corporations		1,380	1,380	-	-
— options for shares in other corporations		-	-	-	-
		1,380	1,380	-	-
Unlisted investments, at cost					
— shares in controlled entities	16	-	-	7,209,076	7,209,076
— shares in associates		209,240	50	-	-
		209,240	50	7,209,076	7,209,076
		210,620	1,430	7,209,076	7,209,076

Note 16 Controlled Entities

a. **Controlled Entities**

	Country of Incorporation	Percentage Owned (%) 2005	2004
Parent Entity			
Oldfields Holdings Limited			
Subsidiaries of Oldfields Holdings Limited			
Oldfields Pty Limited	Australia	100	100
Oldfields Access Pty Limited	Australia	100	100
Oldfields Administration Pty Limited	Australia	100	100
Oldfields International Pty Limited	Australia	100	100
Advantage Contracting Pty Limited	Australia	100	100
Advantage Scaffolding Pty Limited	Australia	100	100
Shed Holdings Pty Limited	Australia	100	100
Subsidiary of Oldfields Pty Limited			
Midco Pty Limited	Australia	100	100
Subsidiary of Oldfields Administration Pty Limited			
National Office Service Trust	Australia	100	100
Subsidiaries of Shed Holdings Pty Limited			
Backyard Installations Pty Limited	Australia	100	100
Sheds Plus Pty Limited	Australia	100	100
Subsidiaries of Oldfields International Pty Limited			
Oldfields (NZ) Pty Limited	New Zealand	100	100
Oldfields Paint Applications (NZ) Pty Limited	New Zealand	100	100
Oldfields USA Inc.	United States of America	100	100
Controlled Entity of Oldfields Access Pty Limited			
Adelaide Scaffold Solutions Pty Limited	Australia	75	-

b. **Controlled Entities Acquired**

On 1 January 2005 Oldfields Access Pty Limited acquired 75% of Adelaide Scaffold Solutions Pty Limited, with Oldfields Access Pty Limited entitled to 75% of profits earned from 1 January 2005.

On 1 November 2004 Shed Holdings Pty Limited acquired the remaining 55% of Backyard Installations Pty Limited, with Shed Holdings Pty Limited entitled to 100% of profits earned from 1 November 2004.

c. A deed of cross-guarantee between Oldfields Holdings Limited and its wholly owned subsiduaries was enacted during the financial year ended June 2001. An assumption deed to include Advantage Scaffolding Pty Limited and Advantage Concreting Pty Limitted was enacted during the financial year ended June 2004. An assumption deed to include Adelaide Scaffold Solutions Pty Limited was enacted during the financial year ended June 2005. 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 Limiited guarantees to support the liabilities and obligations of Oldfields Pty Limited and other entities listed above being members of the closed group.

Note 17 Property Plant and Equipment

	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
LAND AND BUILDINGS				
Freehold land at:				
— at cost	200,000	200,000	-	-
Total Land	200,000	200,000	-	-
Buildings at:				
— at cost	154,054	154,054	-	-
Accumulated depreciation	(5,817)	(2,736)	-	-
Total Buildings	148,237	151,318	-	-
Total Land and Buildings	348,237	351,318	-	-
PLANT AND EQUIPMENT				
Plant and equipment				
At cost	10,948,806	8,300,803	-	-
Accumulated depreciation	(3,194,474)	(2,642,483)	-	-
	7,754,332	5,658,320	-	-

Leasehold improvements				
At cost	23,037	10,804	-	-
Accumulated amortisation	(6,309)	(90)	-	-
Total leasehold improvements	16,728	10,714	-	-
Leased plant and equipment				
Capitalised leased assets	1,880,840	1,674,409	-	-
Accumulated depreciation	(592,014)	(328,335)	-	-
	1,288,826	1,346,074	-	-
Total Plant and Equipment	9,059,886	7,015,108	-	-
Total Property, Plant and Equipment	9,408,123	7,366,426	-	-

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	200,000	151,318	10,714	5,658,320	1,346,074	7,366,426
Additions	-	-	12,233	2,723,778	217,948	2,953,959
Disposals	-	-	-	(109,317)	(11,517)	(120,834)
Depreciation and Amortisation expenses	-	(3,081)	(6,219)	(518,449)	(263,679)	(791,428)
Carrying amount at the end of year	200,000	148,237	16,728	7,754,332	1,288,826	9,408,123

Note 18 Deferred Tax Assets

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
Future income tax benefit	1,816,323	2,684,606	1,475,066	2,343,349
a. The future income tax benefit is made up of the following estimated tax benefits:				
— tax losses	1,476,203	1,925,678	1,134,946	1,584,421
— timing differences	340,120	758,928	340,120	758,928
	1,816,323	2,684,606	1,475,066	2,343,349

Note 19 Intangible Assets

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
Goodwill at cost	929,517	2	-	-
Less : Accumulated amortisation	34,735	-	-	-
	894,782	2	-	-
Patents, trademarks and licences at cost	8,049	7,449	-	-
Less : Accumulated amortisation	-	-	-	-
	8,049	7,449	-	-
	902,831	7,451	-	-

Note 20 Other Assets

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
CURRENT				
Prepayments and other assets	744,058	477,366	-	-
NON-CURRENT				
Research and development — at cost	81,402	72,002	-	-
Less : Accumulated amortisation	27,794	20,563	-	-
	53,608	51,439	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Note 21 Payables

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
CURRENT				
Unsecured liabilities				
Trade creditors	1,794,859	2,073,998	-	-
Sundry creditors and accrued expenses	1,576,684	1,638,592	28,943	60,642
Amounts payable to:				
— controlled entities	-	-	848,603	988,210
— joint venture entities	15,497	413,903	-	-
	3,387,040	4,126,493	877,546	1,048,852

Note 22 Interest Bearing Liabilities

	Notes	Economic Entity		Parent Entity	
		2005	2004	2005	2004
	Notes	$	$	$	$
CURRENT					
Directors loans		577,312	370,000	-	-
Other		100	-	-	-
		577,412	370,000	-	-
Secured liabilities					
Bank overdrafts	22a, e	1,112,492	1,035,590	-	-
Bank loans	22a, e	348,560	308,560	-	-
Lease liability	22e	422,519	183,674	-	-
Hire Purchase liability	22e	254,181	708,196	-	-
		2,137,752	2,236,020	-	-
NON-CURRENT					
Bank loans	22e	1,969,733	1,438,155	-	-
Lease liability	22e	1,163,910	260,205	-	-
Hire Purchase liability	22e	375,445	855,835	-	-
		3,509,088	2,554,195	-	-
a. Total current and non-current secured liabilities:					
Bank overdraft		1,112,492	1,035,590	-	-
Bank loans		2,318,293	1,746,715	-	-
Lease liability		1,586,429	443,879	-	-
Hire Purchase liability		629,626	1,564,031	-	-
		5,646,840	4,790,215	-	-
b. The carrying amounts of non-current assets pledged as security are:					
Freehold land and buildings		348,237	351,318	-	-
Floating charge over assets, including listed investments at market value		22,611,050	21,013,692	-	-
Total assets pledged as security		22,959,287	21,365,010	-	-

c. The bank overdrafts of the parent entity and subsidiaries are secured by floating charges over the assets of the parent entity and controlled entities

d. Bank 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 assets are secured by a charge over the hire purchase assets

Note 23 Tax Liabilities

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
CURRENT				
Income tax	5,015	-	5,015	-
NON-CURRENT				
Provision for deferred income tax	94,873	563,294	94,873	563,294

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Note 24 Provisions

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
CURRENT				
Employee entitlements	826,903	663,089	-	-
	826,903	663,089	-	-
NON-CURRENT				
Employee entitlements	114,405	82,342	-	-
	114,405	82,342	-	-
	No.	No.	No.	No.
a. **Number of Employees at Year-end**	136	124	-	-

Note 25 Contributed Equity

	Note	Economic Entity		Parent Entity	
		2005	2004	2005	2004
	Note	$	$	$	$
10,406,374 (2004 : 10,236,882) fully paid ordinary shares	25a	8,725,550	8,525,550	8,725,550	8,525,550
	25b	-	-	-	-
		8,725,550	8,525,550	8,725,550	8,525,550
a. **Ordinary shares**					
At the beginning of the reporting period		8,525,550	4,675,550	8,525,550	4,675,550
Shares issued during the year		-	-	-	-
— 169,492 on 1 February, 2005		200,000	-	200,000	-
— 3,500,000 on 1 February, 2004		-	3,500,000	-	3,500,000
— Conversion Payment Received	25b	-	350,000	-	350,000
		200,000	3,850,000	200,000	3,850,000
At reporting date		8,725,550	**8,525,550**	8,725,550	**8,525,550**
		No.	No.	No.	No.
At the beginning of reporting period		10,236,882	6,736,882	10,236,882	6,736,882
Shares issued during year					
— 169,492 on 1 February, 2005		169,492	-	169,492	-
— 3,500,000 on 1 February, 2004		-	3,500,000	-	3,500,000
At reporting date		10,406,374	10,236,882	10,406,374	10,236,882

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	Economic Entity 2005	Economic Entity 2004	Parent Entity 2005	Parent Entity 2004
b. **Converting Preference Shares**				
At beginning of the reporting period	-	3,500,000	-	3,500,000
Preference Shares Converted on 1st February, 2004		(3,500,000)		(3,500,000)
At reporting date	-	-	-	-
	No.	No.	No.	No.
At beginning of reporting period	-	3,500,000	-	3,500,000
Preference Shares Converted on 1st February, 2004		(3,500,000)		(3,500,000)
At reporting date	-	-	-	-

Note 26 Reserves

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Capital profits	26a	1,228,445	1,228,445	-	-
Asset realisation	26b	740,885	740,885	901,620	901,620
Foreign currency translation	26c	(1,287,206)	(1,325,361)	-	-
		682,124	643,969	901,620	901,620
a. **Capital Profits Reserve**					
Movements during the year					
Opening balance		1,228,445	1,228,445	-	-
Closing balance		1,228,445	1,228,445	-	-
The capital profits reserve records non-taxable profits on sale of investments					
b. **Asset Realisation Reserve**					
Movements during the year					
Opening balance		740,885	740,885	901,620	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					
c. **Foreign Currency Translation Reserve**					
Movements during the year					
Opening balance		(1,325,361)	(996,625)	-	-
Adjustment arising from the translation of foreign controlled entities' financial statements		38,155	(328,736)	-	-
Closing balance		(1,287,206)	(1,325,361)	-	-
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary					

Note 27 Retained Profits

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Retained profits at the beginning of the financial year		1,937,712	1,601,990	153,761	718,105
Net profit attributable to the members of the parent entity		1,189,631	900,066	377,736	-
Dividends provided for or paid	7	(515,234)	(564,344)	(515,234)	(564,344)
Retained profits at the end of the financial year		2,612,109	1,937,712	16,263	153,761

Note 28 Outside Equity Interests in Controlled Entities

	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
Outside equity interest comprises:				
Share capital	300,000	-	-	-
Accumulated Losses	(12,983)	-	-	-
	287,017	-	-	-

Note 29 Capital and Leasing Commitments

	Note	Economic Entity 2005 $	Economic Entity 2004 $	Parent Entity 2005 $	Parent Entity 2004 $
a. **Finance Lease Commitments**					
Payable					
— not later than 1 year		828,749	1,020,384	-	-
— later than 1 year but not later than 5 years		1,690,440	1,207,628	-	-
Minimum lease payments		2,519,189	2,228,012	-	-
Less future finance charges		303,134	220,102	-	-
Total Lease Liability	22	2,216,055	2,007,910	-	-

b. **Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements				
Payable				
— not later than 1 year	400,600	400,600	-	-
— later than 1 year but not later than 5 years	1,201,800	1,602,400	-	-
	1,602,400	2,003,000	-	-

The property lease has a five year lease term with rent payable monthly in advance. Contingent rental provisions within the lease require the minimum lease payments to be increased by CPI per annum. An option exists to renew the lease at the end of the five year term for a further five years. The lease can be terminated at any time on payment of an amount equal to six (6) months rent plus outgoings.

Note 30 Contingent Liabilities

There are no Contingent Liabilities at Balance Date

Note 31 Segment Reporting

Primary Reporting - Business Segments

	Manufacturing	Wholesaling	Scaffolding	Other			Economic Entity
	2005	2005	2005	2005	2005	2005	2005
	$	$	$	$	$	$	$
REVENUE							
External Sales	-	17,604,247	10,529,420	-	-	-	28,133,667
Other segments	-	78,703	151,714	-	-	-	230,417
Total sales revenue	-	17,682,950	10,681,134	-	-	-	28,364,084
Share of net profits of equity accounted associates and joint venture entities							
Total segment revenue	-	17,682,950	10,681,134	-	-	-	28,364,084
Unallocated revenue							
Total Revenue from ordinary activities							28,364,084
RESULT							
Segment result		859,546	721,980	-	-	-	1,581,526
Unallocated expenses net of unallocated revenue							
Profit from ordinary activities before income tax expense							1,581,526
Income Tax Expense							(404,877)
Profit from ordinary activities after income tax expense							1,176,649
Net profit							1,176,649
ASSETS							
Segment assets	1,212,912	9,928,999	11,817,377	-	-	-	22,959,288
Total assets							22,959,288
LIABILITIES							
Segment liabilities	-	1,451,376	9,201,112	-	-	-	10,652,488
Total liabilities							10,652,488

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

OTHER							
Investments accounted for using the equity method	1,212,912	170,271	-	-	-	-	1,383,183
Acquisitions of non-current segment assets	-	275,071	2,712,143	-	-	-	2,987,214
Depreciation and amortisation of segment assets	-	791,428	41,966	-	-	-	833,394
Other non-cash segment expenses	-	200,480	235,640	-	-	-	436,120

	Manufacturing 2004 $	Wholesaling 2004 $	Scaffolding 2004 $	Other 2004 $	 2004 $	 2004 $	Economic Entity 2004 $
Primary Reporting - Business Segments							
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							24,409,710
RESULT							
Segment result	-	332,916	965,372	-	-	-	1,298,288
Unallocated expenses net of unallocated revenue							(9,172)
Profit from ordinary activities before income tax expense							1,289,116
Income Tax Expense							(389,049)
Profit from ordinary activities after income tax expense							900,067
Extraordinary items after income tax expense							-
Net profit							900,067
ASSETS							
Segment assets	1,371,178	12,340,624	7,990,862	-	-	-	21,702,664
Unallocated assets							-
Total assets							21,702,664
LIABILITIES							
Segment liabilities	-	3,525,015	7,070,418	-	-	-	10,595,433
Unallocated liabilities							-
Total liabilities							10,595,433
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	-	138,663	85,824	-	-	-	224,487

Secondary reporting — Geographical segments

	Segment Revenues from		Carrying Amount of Segment		Acquisitions of Non-current	
	2005	2004	2005	2004	2005	2004
	$	$	$	$	$	$
Geographical location:						
Australia	28,362,438	24,367,211	19,078,318	17,764,046	2,987,214	3,660,699
New Zealand	1,646	42,499	2,521,415	2,212,042	-	-
South East Asia and China	-	-	1,359,554	1,388,922	-	-
Other Countries						
	28,364,084	24,409,710	22,959,287	21,365,010	2,987,214	3,660,699

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.

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 five business segments:

— Manufacturing division manufactures paint application products used in the building and general hardware business.
— Wholesale division sells paint application products, painters tools and associated products to the hardware and paint industry.
— Scaffolding construction and hire division manufactured scaffolding equipment for both sale and hire to the building and contruction industry in NSW, Victoria, and Queensland.

Geographical Segments

— The economic entity's business segments are located in Australia, with the manufacturing and distribution division also having operations in New Zealand and South East Asia

Note 32 Cash Flow Information

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
a. **Reconciliation of Cash Flow from Operations with Profit from ordinary activities after Income Tax**				
Profit from ordinary activities after income tax	1,189,631	900,067	-	-
Non-cash flows in profit from ordinary activities				
Amortisation	41,966	6,882	-	-
Depreciation	791,428	788,674	-	-
Net gain on disposal of property, plant and equipment	(32,615)	(55,150)	-	-
Share of associated companies net profit after income tax and dividends	(9,943)	228,500	-	-
Share of joint venture entity net profit after income tax and dividends	(266,306)	(219,327)	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of				
(Increase)/decrease in trade and term debtors	1,371,110	(557,536)	(299,583)	2,112,494
(Increase)/decrease in prepayments	(542,485)	(18,028)	-	-
(Increase)/decrease in inventories	149,757	(642,480)	-	-
(Increase)/decrease in trade creditors and accruals	329,599	1,858,155	(101,318)	(172,973)
Increase/(decrease) in non-current Assets	348,153	(1,515,893)	530,629	(2,005,695)
Increase/(decrease) in deferred taxes payable	(1,336,704)	(232,659)	(130,767)	225,640
Increase/(decrease) in provisions	195,877	(242,529)	-	(157,500)
Cash flows from operations	2,229,468	298,676	(1,039)	1,966

b. **Acquisition of Entities**

On 1 January 2005, Oldfields Access Pty Limited acquired 75% of Adelaide Scaffold Solutions Pty Limited for $2, with Oldfields Access Pty Limited entitled to 75% of profits earned from 1 January 2005.

On 1 November 2004, Shed Holdings Pty Limited acquired the remaining 55% of Backyard Installations Pty Limited, with Shed Holdings Pty Limited entitled to 100% of profits earned from 1 November 2004.

Purchase consideration	55	-	-	-
Assets and liabilities held at acquisition date:				
Receivables	8,862	-	-	-
Inventories	104,164	-	-	-
Property, plant and equipment	65,912	-	-	-
Creditors	(535,792)	-	-	-
	(356,854)	-	-	-
Goodwill on consolidation	356,799	-	-	-
	55	-	-	-

c. **Credit Standby Arrangements with Banks**

	2005	2004	2005	2004
Credit facility	3,200,000	3,000,000	-	-
Amount utilised	(2,283,674)	(2,782,305)	-	-
Unused credit facility	916,326	217,695	-	-

The major facilities are summarised as follows:

Banking Overdrafts

Bank overdraft facilities are arranged with a number of Australian banks with the general terms and conditions being set and agreed to annually

Interest rates are variable and subject to adjustment

Commercial Bill Facility

$5,000,000 five-year variable interest rate facility provided by various Australian banks

Note 33 Employee Benefits

Employee Share Option Arrangement - There were no options granted during the year

The closing share market price of an ordinary share of Oldfields Holdings Limited on the Australian Stock Exchange at 30 June 2005 was $0.90 (30 June 2004:$1.00).

a. **Movement in the number of share options held by employees are as follows:**

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	No.	No.	No.	No.
Opening balance	499,500	250,000	499,500	250,000
Granted during the year	-	512,000	-	512,000
Exercised during the year	-	-	-	-
Lapsed during the year	-	(262,500)	-	(262,500)
Closing Balance	499,500	499,500	499,500	499,500
	$	$	$	$

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

Grant Date	Expiry and	Exercise	Economic Entity 2005 No.	Economic Entity 2004 No.	Parent Entity 2005 No.	Parent Entity 2004 No.
03.11.03	02.11.06	$1.20	149,500	149,500	149,500	149,500
19.11.03	18.11.06	$1.20	350,000	350,000	350,000	350,000
			499,500	499,500	499,500	499,500

Note 34 Events subsequent to Reporting Date

Other than the matter referred to below, there are 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.

On 11 July, 2005, as the result of a fully underwritten non-renounceable pro-rata rights issue, the Parent Entity issued 1,300,797 new shares on the basis of a 1 for 8 share issue at a price of $0.80 per new share for $1,040,638.

Note 35 Related Party Transactions

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$
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) Controlled Entities				
Purchases from Enduring Enterprises comprising paint rollers and brushes and rollers.	1,961,735	2,212,132	-	-
(ii) Associated Companies				
Sales made to Brisbane Garden Sheds Pty Limited comprising sheds and shed components	403,148	380,144	-	-
Sales made to Adelaide Garden Sheds Pty Limited comprising sheds and shed components	38,052	-	-	-
Sales made to Pt Ace Oldfields Indonesia comprising brush ferrals and associated raw materials	3,204	21,480	-	-
Loans outstanding under normal commercial terms and conditions by Concrete Pumping Systems Australia Pty Limited	285,399	285,399	-	-
(iii) Director-related Entities				
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.	-	304,897	-	-
Trade Receivables due from Amazing Paint Discounts at the end of the financial year.	-	64,373	-	-
Rent paid to 8 Farrow Road Pty Limited an entity owned by John Westwood.	422,595	436,046	-	-
(v) Directors				
Loans made from directors to the economic entity under normal commercial terms and conditions and outstanding at 30 June 2005.				
— John Westwood	447,766	200,000	-	-
— Hugh Oldfield	109,737	100,000	-	-
— Anthony Mankarios	73,984	70,000	-	-

Note 36 Financial Instruments

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$	$	$	$

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 changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Fixed Interest Rate Maturing Weighted Average Effective Interest Rate		Floating Interest Rate $		Within Year $		1 to 5 Years $		Over 5 Years		Non-interest Bearing		Total $	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Financial Assets			-	-	-	-	-	-	-	-				
Cash			-	-	-	-	-	-	-	-	309,539	235,687	309,539	235,687
Receivables			-	-	-	-	-	-	-	-	3,114,557	4,360,982	3,114,557	4,360,982
Investments			-	-	-	-	-	-	-	-	210,620	1,430	210,620	1,430
Forward exchange contracts			-	-	-	-	-	-	-	-			-	-
Total Financial Assets			-	-	-	-	-	-	-	-	3,634,716	4,598,099	3,634,716	4,598,099
Financial Liabilities														
Bank Overdrafts	9.49	9.25	1,112,492	1,035,590	-	-	-	-	-	-	-	-	1,112,492	1,035,590
Bank Loans	7.43	7.65	2,318,293	1,746,715	-	-	-	-	-	-	-	-	2,318,293	1,746,715
Lease liabilities	7.50	10.50	-	-	422,319	183,674	1,163,910	260,205	-	-	-	-	1,586,229	443,879
Hire Purchase Liabilities	7.50	8.50	-	-	254,181	708,196	375,455	855,835	-	-	-	-	629,636	1,564,031
Total Financial Liabilities			3,430,785	2,782,305	676,500	891,870	1,539,365	1,116,040	-	-	4,126,493	-	9,773,143	4,790,215

b. **Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The company minimises the concentration of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers within the specified industries.

c. **Net Fair Values**

The net fair values of term debtors and government and fixed interest securities and bonds are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.

The net fair values of listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

Debentures, bills of exchange and promissory notes which are traded on organised financial markets, the net fair value is based on the quoted market offer price at balance date adjusted for transaction costs expected to be incurred.

The net fair values of other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value.

For forward exchange contracts the net fair value is the recognised unrealised gain or loss at balance date determined from the current forward exchange rates for contracts with similar maturities.

The net fair value for interest rate swaps is the present value of the future net interest cash flows.

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 other than listed investments, forward exchange contracts and interest rate swaps.

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

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

	2005		2004	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	$	$	$	$
Financial Assets				
Receivables - Trade	3,114,557	3,114,557	4,360,982	4,360,982
Unlisted investments	1,140	1,140	1,430	1,430
	3,115,697	3,115,697	4,362,412	4,362,412
Financial Liabilities				
Bank overdrafts	1,112,442	1,112,442	1,035,590	1,035,590
Bank loans	2,318,293	2,318,293	1,746,715	1,746,715
Trade and sundry creditors	3,387,040	3,387,040	4,126,493	4,126,493
Hire Purchase Liabilities	629,626	629,626	1,564,031	1,564,031
Finance lease liabilies	1,586,429	1,586,429	443,879	443,369
	9,033,830	9,033,830	8,916,708	8,916,198

Note 37 Company Details

The registered office of the company is:

8 Farrow Road
CAMPBELLTOWN NSW 2560

The principal places of business are:

Division 1
Oldfields Pty Limited
8 Farrow Road
Campbelltown NSW 2560

Division 2
Oldfields Access Pty Limited
63 Fairford Road
Padstow NSW 2211

Division 3
Oldfields Access Pty Limited - Vic
24 Westside Drive
Laverton Vic 3028

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

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 37, are in accordance with the Corporations Act 2001:

    a. comply with Accounting Standards and the Corporations Regulations 2001; and

    b. give a true and fair view of the financial position as at 30 June 2005 and of the performance for the year ended on that date of the company and economic entity.

2 The Chief Executive Officer and Chief Finance Officer have each declared that:

    (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    (b) the financial statements and notes for the ifnancial year comply with the Accounting Standards; and

    (c) the financial statements and notes for the financial year give a true and fair view.

3 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The company and wholly-owned subsidiaries, have entered into a deed of cross guarantee under which the company and its subsidiaries guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

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

Director .... Anthony Mankarios ....

Dated this 30 th day of September 2005

Hall Chadwick
Chartered Accountants & Business Advisers

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 2005. 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.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 10 of the financial report has not changed as the date of providing our audit opinion.

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 2005 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: 30 September 2005

Sydney

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Melbourne
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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 2005.

The company's website contains 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 copy of the Board Charter, which promotes a culture within the company of accountability, integrity and transparency, is available from the company's website.

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 four non-executive directors, including the chairperson and two 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.

- Christopher Charles Hext appointed 2001
  - would be considered a substantial shareholder;
  - was employed as an executive by the company within the last three years;

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 can be obtained from the Corporate Governance section of the Oldfields website.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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 can be obtained from 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 three members who are non-executive directors;
- Details of the members of the Audit Committee can be obtained from the Annual Report;
- Has a written charter which can be obtained from 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;
- Responsibilities;
- Authority;
- Independence and
- Non-audit work.

The Board and Audit Committee closely monitor the independence of the external auditor. The Audit Committee meets a minimum of twice a year 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 en entity becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.

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

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.

Shareholders and other parties will be able to access the following information from the company's website:

- Copies of all announcements given to the ASX;
- Press releases and copies of letters to shareholders;
- Copies of annual and half year financial reports;
- 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 in the process of developing a risk management statement the purpose of which is:

- Identify, access, 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 will also be 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 can be obtained from 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 Limited and not shown elsewhere in this Report is as follows :

TOP 20 SHAREHOLDERS of ORDINARY SHARES

This information is made up to 31 August, 2005.

HOLDING RANGE	TOP 20 SHAREHOLDERS of FULLY PAID ORDINARY SHARES	RANK	SUBSTANTIAL SHAREHOLDER	ORDINARY SHARES FULLY PAID BALANCE HELD 31-August-2005	% Held
100,001 or MORE	Oldfields Family Superannuation Pty Limited	1	#	1,354,500	11.57
	Coogarah Investments Pty Limited	2	#	1,203,188	10.28
	Divpass Pty Limited	3	#	1,125,001	9.61
	Wingroad Pty Limited	4	#	945,494	8.08
	Marilyn Anne Hext	5	#	750,000	6.41
	Starball Pty Limited	6	#	614,085	5.25
	John Roy Westwood	7	#	510,366	4.36
	Carryoak Pty Limited	8		470,000	4.01
	Milton Corporation Pty Limited	9		363,900	3.11
	Peter James Hayman	10		299,644	2.56
	D H & H B Oldfield	11	#	294,750	2.52
	Fairco Pacific Investments Pty Limited	12		249,000	2.13
	Klemzig Contractors Pty Limited (S H Superannuation Fund)	13		169,492	1.45
	Anthony Mankarios	14	#	166,437	1.42
	James William Toland	15	#	148,882	1.27
	UFBA Pty Limited	16	#	136,101	1.16
	MFM Properties Pty Limited/Harris Timber & Hardware (Cronulla) Pty Limited	17		134,791	1.15
	Amanda Hext	18		126,900	1.08
	Hugh Brian Oldfield	19	#	120,938	1.033
	Robert L Denison	20		120,000	1.025
	TOTAL TOP 20			9,303,469	79.47
	TOTAL ISSUED CAPITAL : ORDINARY SHARES FULLY PAID			11,707,171	100.00

Substantial Shareholder as defined by Section 671B of the Corporations Act