

# **Oldfields Holdings Limited**

**ABN 92 000 307 988**

## **Appendix 4E**

**PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

## Preliminary Final Report

### APPENDIX 4E - FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### 1. Company Details

|                   |                                 |
|-------------------|---------------------------------|
| Name of entity:   | Oldfields Holdings Limited      |
| ABN:              | 92 000 307 988                  |
| Reporting period: | For the year ended 30 June 2021 |
| Previous period:  | For the year ended 30 June 2020 |

#### 2. Results for Announcement to the Market

|                                                                          | 2021<br>\$'000 | 2020<br>\$'000 | Movement Up / (Down)<br>\$'000 | %       |
|--------------------------------------------------------------------------|----------------|----------------|--------------------------------|---------|
| Revenues from ordinary activities                                        | 22,716         | 24,591         | (1,875)                        | (7.6%)  |
| EBITDA                                                                   | 163            | 660            | (497)                          | (75.3%) |
| Loss before revaluation of derivative financial instruments & income tax | (2,296)        | (1,645)        | (651)                          | 39.6%   |
| Loss from ordinary activities after tax attributable to the owners       | (2,586)        | (1,222)        | (1,364)                        | 111.6%  |
| Loss after tax attributable to members of the parent entity              | (2,846)        | (1,461)        | (1,385)                        | 94.8%   |

The Group's net loss after tax was \$2,586,000 (2020: Loss \$1,222,000). The Group had a loss of \$2,296,000 before income tax and revaluation of the financial derivative (2020: Loss \$1,645,000). Revenue from the consumer products segment increased by over 20% which had been benefited from the new sales channel development. For the Scaffold segment, lower revenue was as a result of an increase in competition and the COVID-19 lockdowns in Australia. During the year, the business has further streamlined processes and restructured to reset its operating cost base.

The Group's EBITDA was \$163,000 (2020: \$660,000). Depreciation and amortisation expense for the year was \$2,402,000 which was an increase of \$246,000 (2020: \$2,156,000) which reflects the stable cost from investment in hire fleet to support the growth of the Scaffold division.

#### 3. Review of Operations and Financial Results

The 2021 financial year was a year heavily impacted by the COVID-19 pandemic, in particular the financial results were impacted by the following:

- At the commencement of the 2021 year the Scaffold division had been impacted by the prevailing building downturn with the competitive landscape impacting both volumes and price. The onset of the COVID-19 pandemic saw a series of lockdowns along the east coast and with it numerous jobs being either cancelled or postponed without notice. As such, profit was impacted significantly across all metrics in volume, price and margin.
- The market place did see some impact of Covid 19 however the Oldfields Paint Tools division has been less affected due to strong sales channel development and new product introductions. Revenue increased in the 2021 year and EBITDA improvements also allowed the business to move into more profitable territory.
- Head office costs increased mainly attributable to increase in costs on restructuring and insurance costs.

Key achievements in the 2021 financial year included:

- Paint tools sales revenue increased by over 20% compared to last year via new customer acquisitions and a growing product base;
- Scaffolding team engaged in larger jobs with Tiers 1 and 2 builders;
- Relocation of scaffold factory in China providing new capacity and technological advances;
- Developed "Click & Collect" for paint tools to enable greater reach to both trade and DIY customers;
- Enhance management and operating system to improve efficiency;
- Set up infrastructure for overseas sales the benefits of which will come in the coming years;
- Set up scaffold sales and hire office in China; and
- Full review of supply chain.

#### 4. Dividends

No dividends have been paid or proposed by Oldfields Holdings Limited during the year.

#### 5. Net Tangible Assets per Security

|                                                  | 2021<br>Cents per Share | 2020<br>Cents per Share |
|--------------------------------------------------|-------------------------|-------------------------|
| Net assets per security                          | 3.014                   | 6.807                   |
| Net tangible asset backing per ordinary security | 2.396                   | 3.856                   |

## 6. Preliminary Final Report

The preliminary final report of Oldfields Holdings Limited for the year ended 30 June 2021 is attached.

## 7. Details of Associates and Joint Venture Entities

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

## 8. Events After the Current Reporting Period

There are no matters or circumstances that have arisen since 30 June 2021 which significantly affect or could affect the operations of the Group in future years.

## 9. Audit Status

The report is based on accounts that are in the process of being audited. It is not expected that the report is likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph.



Richard Abela (Chief Executive Officer)



Ka Lung Alan Lee (Company Secretary)

Dated: 31 August 2021

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

|                                                                                                         | Note | 2021<br>\$'000 | 2020<br>\$'000 |
|---------------------------------------------------------------------------------------------------------|------|----------------|----------------|
| Sales revenue                                                                                           | 4    | 22,716         | 24,591         |
| Cost of sales                                                                                           |      | (12,980)       | (13,656)       |
| Gross profit                                                                                            |      | 9,736          | 10,935         |
| Other income                                                                                            | 4    | 982            | 752            |
| <b>Expenses:</b>                                                                                        |      |                |                |
| Depreciation and amortisation expense                                                                   |      | (1,154)        | (925)          |
| Depreciation and amortisation of right-of-use assets                                                    |      | (1,248)        | (1,229)        |
| Other expenses from ordinary activities:                                                                |      |                |                |
| Sales and distribution expenses                                                                         |      | (7,228)        | (7,851)        |
| Marketing expenses                                                                                      |      | (217)          | (198)          |
| Occupancy expenses                                                                                      |      | (286)          | -              |
| Administrative expenses                                                                                 |      | (2,641)        | (2,775)        |
| Finance costs                                                                                           |      | (240)          | (354)          |
| Loss before gain on early redemption and revaluation of derivative financial instruments and income tax |      | (2,296)        | (1,645)        |
| Gain on early redemption of deferred senior loan note                                                   |      | -              | 470            |
| Revaluation of deferred senior loan note derivative component                                           |      | -              | 237            |
| <b>(Loss) profit before income tax</b>                                                                  |      | <b>(2,296)</b> | <b>(938)</b>   |
| Tax expense                                                                                             |      | (290)          | (284)          |
| <b>Net loss from continuing operations</b>                                                              |      | <b>(2,586)</b> | <b>(1,222)</b> |
| <b>Other comprehensive income:</b>                                                                      |      |                |                |
| Items that will not be reclassified subsequently to profit or loss:                                     |      |                |                |
| Exchange differences on translating foreign operations, net of tax                                      |      | (27)           | (28)           |
| <b>Other comprehensive income for the year, net of tax</b>                                              |      | <b>(27)</b>    | <b>(28)</b>    |
| <b>Total comprehensive income for the year</b>                                                          |      | <b>(2,613)</b> | <b>(1,250)</b> |
| Net loss for the year attributable to:                                                                  |      |                |                |
| Members of the parent entity                                                                            |      | (2,846)        | (1,461)        |
| Non-controlling interest                                                                                |      | 260            | 239            |
| <b>Total net loss for the year</b>                                                                      |      | <b>(2,586)</b> | <b>(1,222)</b> |
| Comprehensive income attributable to:                                                                   |      |                |                |
| Members of the parent entity                                                                            |      | (2,873)        | (1,489)        |
| Non-controlling interest                                                                                |      | 260            | 239            |
| <b>Total comprehensive income for the year</b>                                                          |      | <b>(2,613)</b> | <b>(1,250)</b> |
|                                                                                                         | Note | Cents          | Cents          |
| <b>Earnings per share from continuing operation attributable to members of the parent entity:</b>       |      |                |                |
| Basis earnings per share                                                                                | 7    | (1.697)        | (1.254)        |
| Diluted earnings per share                                                                              | 7    | (1.697)        | (1.254)        |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

As at 30 June 2021

|                                      | Note | 2021<br>\$'000 | 2020<br>\$'000 |
|--------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                        |      |                |                |
| <b>CURRENT ASSETS</b>                |      |                |                |
| Cash and cash equivalents            | 5    | 1,022          | 1,785          |
| Trade and other receivables          |      | 4,192          | 4,194          |
| Inventories                          |      | 2,568          | 2,951          |
| Current tax assets                   |      | 85             | 48             |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>7,867</b>   | <b>8,978</b>   |
| <b>NON-CURRENT ASSETS</b>            |      |                |                |
| Property, plant and equipment        |      | 3,614          | 3,920          |
| Right-of-use asset                   |      | 2,974          | 2,525          |
| Intangible assets                    |      | 1,036          | 914            |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>7,624</b>   | <b>7,359</b>   |
| <b>TOTAL ASSETS</b>                  |      | <b>15,491</b>  | <b>16,337</b>  |
| <b>LIABILITIES</b>                   |      |                |                |
| <b>CURRENT LIABILITIES</b>           |      |                |                |
| Trade and other payables             |      | 5,006          | 4,108          |
| Borrowings                           |      | 659            | 310            |
| Lease liabilities                    |      | 1,208          | 1,015          |
| Current tax liabilities              |      | 97             | -              |
| Employees benefit obligations        |      | 929            | 849            |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>7,899</b>   | <b>6,282</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |      |                |                |
| Borrowings                           |      | 404            | 307            |
| Lease liabilities                    |      | 1,905          | 1,572          |
| Deferred tax liabilities             |      | 177            | 170            |
| Employees benefit obligations        |      | 51             | 73             |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>2,537</b>   | <b>2,122</b>   |
| <b>TOTAL LIABILITIES</b>             |      | <b>10,436</b>  | <b>8,404</b>   |
| <b>NET ASSETS</b>                    |      | <b>5,055</b>   | <b>7,933</b>   |
| <b>EQUITY</b>                        |      |                |                |
| Issued capital                       | 6    | 26,086         | 26,086         |
| Other reserves                       |      | (8)            | 19             |
| Accumulated loss                     |      | (21,765)       | (18,919)       |
| Parent interest                      |      | 4,313          | 7,186          |
| Non-controlling interest             |      | 742            | 747            |
| <b>TOTAL EQUITY</b>                  |      | <b>5,055</b>   | <b>7,933</b>   |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

|                                                             | Note | Issued<br>Capital<br>\$'000 | Other<br>Reserves<br>\$'000 | Accumulated<br>Losses<br>\$'000 | Subtotal<br>\$'000 | Non-<br>Controlling<br>Interests<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------|------|-----------------------------|-----------------------------|---------------------------------|--------------------|--------------------------------------------|-----------------|
| <b>Balance at 1 July 2020</b>                               |      | 26,086                      | 19                          | (18,919)                        | 7,186              | 747                                        | 7,933           |
| <b>Comprehensive income</b>                                 |      |                             |                             |                                 |                    |                                            |                 |
| Profit (loss) for the year                                  |      | -                           | -                           | (2,846)                         | (2,846)            | 260                                        | (2,586)         |
| Other comprehensive income for the year                     |      | -                           | (27)                        | -                               | (27)               | -                                          | (27)            |
| <b>Total comprehensive income for the year</b>              |      | -                           | (27)                        | (2,846)                         | (2,873)            | 260                                        | (2,613)         |
| <b>Transactions with owners in their capacity as owners</b> |      |                             |                             |                                 |                    |                                            |                 |
| Issue of share capital                                      | 6    | -                           | -                           | -                               | -                  | -                                          | -               |
| Dividends provided for or paid                              |      | -                           | -                           | -                               | -                  | (265)                                      | (265)           |
| <b>Total transactions with owners and other transfers</b>   |      | -                           | -                           | -                               | -                  | (265)                                      | (265)           |
| <b>Balance at 30 June 2021</b>                              |      | <b>26,086</b>               | <b>(8)</b>                  | <b>(21,765)</b>                 | <b>4,313</b>       | <b>742</b>                                 | <b>5,055</b>    |

For the year ended 30 June 2020

|                                                             | Note | Issued<br>Capital<br>\$'000 | Other<br>Reserves<br>\$'000 | Accumulated<br>Losses<br>\$'000 | Subtotal<br>\$'000 | Non-<br>Controlling<br>Interests<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------|------|-----------------------------|-----------------------------|---------------------------------|--------------------|--------------------------------------------|-----------------|
| <b>Balance at 1 July 2019</b>                               |      | 21,106                      | 47                          | (17,458)                        | 3,695              | 689                                        | 4,384           |
| <b>Comprehensive income</b>                                 |      |                             |                             |                                 |                    |                                            |                 |
| Profit (loss) for the year                                  |      | -                           | -                           | (1,461)                         | (1,461)            | 239                                        | (1,222)         |
| Other comprehensive income for the year                     |      | -                           | (28)                        | -                               | (28)               | -                                          | (28)            |
| <b>Total comprehensive income for the year</b>              |      | -                           | (28)                        | (1,461)                         | (1,489)            | 239                                        | (1,250)         |
| <b>Transactions with owners in their capacity as owners</b> |      |                             |                             |                                 |                    |                                            |                 |
| Issue of share capital                                      | 6    | 4,980                       | -                           | -                               | 4,980              | -                                          | 4,980           |
| Dividends provided for or paid                              |      | -                           | -                           | -                               | -                  | (181)                                      | (181)           |
| <b>Total transactions with owners and other transfers</b>   |      | 4,980                       | -                           | -                               | 4,980              | (181)                                      | 4,799           |
| <b>Balance at 30 June 2020</b>                              |      | <b>26,086</b>               | <b>19</b>                   | <b>(18,919)</b>                 | <b>7,186</b>       | <b>747</b>                                 | <b>7,933</b>    |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2021

|                                                                    | Note | 2021<br>\$'000 | 2020<br>\$'000 |
|--------------------------------------------------------------------|------|----------------|----------------|
| <b>OPERATING ACTIVITIES</b>                                        |      |                |                |
| Receipts from customers                                            |      | 24,990         | 26,732         |
| Payments to suppliers and employees                                |      | (24,078)       | (26,234)       |
|                                                                    |      | 912            | 498            |
| Interest received                                                  |      | -              | 14             |
| Other income received                                              |      | 982            | 738            |
| Finance costs                                                      |      | (240)          | (165)          |
| Income tax paid                                                    |      | (223)          | (369)          |
| <b>Net cash provided by operating activities</b>                   | 5    | <b>1,431</b>   | 716            |
| <b>INVESTING ACTIVITIES</b>                                        |      |                |                |
| Proceeds from sale of property, plant and equipment                |      | -              | 407            |
| Purchase of property, plant and equipment                          |      | (1,133)        | (662)          |
| Payments for intangibles                                           |      | (142)          | (66)           |
| <b>Net cash used in investing activities</b>                       |      | <b>(1,275)</b> | (321)          |
| <b>FINANCING ACTIVITIES</b>                                        |      |                |                |
| Proceeds from borrowings                                           |      | 800            | 539            |
| Net proceeds from shares issued                                    | 6    | -              | 4,980          |
| Repayment of borrowings                                            |      | (629)          | (1,724)        |
| Loans from related party                                           |      |                |                |
| - proceeds from borrowings                                         |      | 275            | -              |
| - repayments made                                                  |      | -              | (500)          |
| Lease repayments                                                   |      | (1,100)        | (1,166)        |
| Dividends paid by controlled entities to non-controlling interests |      | (265)          | (181)          |
| <b>Net cash provided by financing activities</b>                   |      | <b>(919)</b>   | 1,948          |
| <b>Net increase (decrease) in cash and cash equivalents</b>        |      | <b>(763)</b>   | 2,343          |
| Net increase (decrease) in cash and cash equivalents               |      | (763)          | 2,343          |
| Cash and cash equivalents at beginning of financial year           |      | 1,785          | (558)          |
| <b>Cash and cash equivalents at end of financial year</b>          | 5    | <b>1,022</b>   | <b>1,785</b>   |

The accompanying notes form part of these financial statements.

# Notes to the Preliminary Final Report

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# Notes to the Preliminary Final Report

## 1. General Information and Statement of Compliance

These consolidated financial statements and notes represent those of Oldfields Holdings Limited and Controlled Entities (the “Consolidated Group” or “Group”). The separate financial statements of the Parent Entity, Oldfields Holdings Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

## 2. Summary of Significant Accounting Policies

### 2.1 Basis of Preparation

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

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

### 2.2 Functional and Presentation Currency

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

### 2.3 Rounding

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

### 2.4 Key Judgements, Estimates and Assumptions

In the process of applying the Group’s accounting policies, management has made a number of judgements, applied estimates and assumptions of future events. Judgements, estimates and assumptions which are material to the Group’s financial report are discussed below and in the following notes:

- Revenue and other income

### 2.5 Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Oldfields Holdings Limited and all of the subsidiaries. Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Where necessary, accounting policies of subsidiaries are changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as ‘Non-Controlling Interests’. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

### 2.6 Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities assumed, including contingent liabilities, are recognised (subject to certain limited exemptions).

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

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in the profit or loss and other comprehensive income statement when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

## 2.7 Foreign Currency

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as

- (i) assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- (ii) income and expenses are translated at average exchange rates for the period; and
- (iii) retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

## 2.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2.9 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 consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

## 2.10 Financial Instruments

### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets

### Classification and Subsequent Measurement

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

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

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

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

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

As at 30 June 2021, the Group's financial assets consist of cash and cash equivalents and trade and other receivables which are measured at amortised cost in accordance with the above accounting policy.

Non-derivative financial liabilities are initially measured at fair value and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

As at 30 June 2021, the Group's financial liabilities consist of trade and other payables, hire purchase loans and finance lease liabilities which are measured at amortised cost in accordance with the above accounting policy.

### 2.11 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### 2.12 Comparative Figures

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

### 2.13 Other Accounting Policies

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

## 3. Segment Information

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

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

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

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

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

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

The primary operating segments during the current financial period were:

(i) **Consumer Products**

The consumer products segment imports, manufactures and distributes paint brushes, paint rollers, painter's tools, garden sheds and outdoor storage systems.

(ii) **Scaffolding**

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

### 3.1 Operating Segment Performance

#### Year ended 30 June 2021

|                                                      | Consumer Products<br>\$'000 | Scaffolding<br>\$'000 | Intersegment Eliminations/<br>Unallocated<br>\$'000 | Total<br>\$'000 |
|------------------------------------------------------|-----------------------------|-----------------------|-----------------------------------------------------|-----------------|
| <b>Revenue</b>                                       |                             |                       |                                                     |                 |
| Sale of goods                                        | 6,009                       | 4,512                 | -                                                   | 10,521          |
| Hire and erection revenue                            | -                           | 12,195                | -                                                   | 12,195          |
| <b>Total segment revenue</b>                         | <b>6,009</b>                | <b>16,707</b>         | <b>-</b>                                            | <b>22,716</b>   |
| Government grants and subsidies                      | -                           | -                     | 975                                                 | 975             |
| Interest income                                      | -                           | -                     | -                                                   | -               |
| Other income                                         | 3                           | 4                     | -                                                   | 7               |
| <b>Total other revenue</b>                           | <b>3</b>                    | <b>4</b>              | <b>975</b>                                          | <b>982</b>      |
| <b>Total revenue and other income</b>                | <b>6,012</b>                | <b>16,711</b>         | <b>975</b>                                          | <b>23,698</b>   |
| <b>Adjusted segment EBITDA</b>                       | <b>(74)</b>                 | <b>(39)</b>           | <b>276</b>                                          | <b>163</b>      |
| Depreciation and amortisation expense                | (34)                        | (1,095)               | (26)                                                | (1,155)         |
| Depreciation and amortisation of right-of-use assets | (144)                       | (882)                 | (221)                                               | (1,247)         |
| Finance costs                                        | (48)                        | (159)                 | (33)                                                | (240)           |
| Unrealised foreign exchange loss                     | -                           | -                     | 183                                                 | 183             |
| <b>Profit (loss) before income tax</b>               | <b>(300)</b>                | <b>(2,175)</b>        | <b>179</b>                                          | <b>(2,296)</b>  |
| Income tax expense                                   | -                           | (290)                 | -                                                   | (290)           |
| <b>Profit (loss) after income tax</b>                | <b>(300)</b>                | <b>(2,465)</b>        | <b>179</b>                                          | <b>(2,586)</b>  |

### 3.1 Operating Segment Performance (continued)

Year ended 30 June 2020

|                                                                                     | Consumer<br>Products<br>\$'000 | Scaffolding<br>\$'000 | Intersegment<br>Eliminations/<br>Unallocated<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------------------------------|--------------------------------|-----------------------|--------------------------------------------------------|-----------------|
| <b>Revenue</b>                                                                      |                                |                       |                                                        |                 |
| Sale of goods                                                                       | 4,878                          | 3,562                 | (14)                                                   | 8,426           |
| Hire and erection revenue                                                           | -                              | 16,165                | -                                                      | 16,165          |
| <b>Total segment revenue</b>                                                        | <b>4,878</b>                   | <b>19,727</b>         | <b>(14)</b>                                            | <b>24,591</b>   |
| Government grants and subsidies                                                     | 0                              | 0                     | 713                                                    | 713             |
| Interest income                                                                     | 14                             | 0                     | 0                                                      | 14              |
| Other income                                                                        | 20                             | 5                     | -                                                      | 25              |
| <b>Total other revenue</b>                                                          | <b>34</b>                      | <b>5</b>              | <b>713</b>                                             | <b>752</b>      |
| <b>Total revenue and other income</b>                                               | <b>4,912</b>                   | <b>19,732</b>         | <b>699</b>                                             | <b>25,343</b>   |
| <b>Adjusted segment EBITDA</b>                                                      | <b>(485)</b>                   | <b>(283)</b>          | <b>1,428</b>                                           | <b>660</b>      |
| Depreciation and amortisation expense                                               | (27)                           | (882)                 | (16)                                                   | (925)           |
| Depreciation and amortisation of right-of-use assets                                | -                              | -                     | (1,229)                                                | (1,229)         |
| Finance costs                                                                       | 14                             | -                     | -                                                      | 14              |
| Unrealised foreign exchange loss                                                    | -                              | -                     | (165)                                                  | (165)           |
| Profit (loss) before revaluation of derivative financial instruments and income tax | (498)                          | (1,165)               | 18                                                     | (1,645)         |
| Gain on early redemption of deferred senior loan note                               | -                              | -                     | 470                                                    | 470             |
| Revaluation of deferred senior loan note derivative component                       | -                              | -                     | 237                                                    | 237             |
| <b>Profit (loss) before income tax</b>                                              | <b>(498)</b>                   | <b>(1,165)</b>        | <b>725</b>                                             | <b>(938)</b>    |
| Income tax expense                                                                  | -                              | (284)                 | -                                                      | (284)           |
| <b>Profit (loss) after income tax</b>                                               | <b>(498)</b>                   | <b>(1,449)</b>        | <b>725</b>                                             | <b>(1,222)</b>  |

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

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

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

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

### 3.2 Operating Segment Assets and Liabilities

As at 30 June 2021

|                           | Consumer<br>Products<br>\$'000 | Scaffolding<br>\$'000 | Intersegment<br>Eliminations/<br>Unallocated<br>\$'000 | Total<br>\$'000 |
|---------------------------|--------------------------------|-----------------------|--------------------------------------------------------|-----------------|
| Segment assets            | 2,728                          | 14,258                | (1,495)                                                | 15,491          |
| Segment liabilities       | (3,784)                        | (3,192)               | (3,460)                                                | (10,436)        |
| <b>Segment net assets</b> | <b>(1,056)</b>                 | <b>11,066</b>         | <b>(4,955)</b>                                         | <b>5,055</b>    |

As at 30 June 2020

|                           | Consumer<br>Products<br>\$'000 | Scaffolding<br>\$'000 | Intersegment<br>Eliminations/<br>Unallocated<br>\$'000 | Total<br>\$'000 |
|---------------------------|--------------------------------|-----------------------|--------------------------------------------------------|-----------------|
| Segment assets            | 2,866                          | 13,439                | 32                                                     | 16,337          |
| Segment liabilities       | (3,505)                        | (570)                 | (4,329)                                                | (8,404)         |
| <b>Segment net assets</b> | <b>(639)</b>                   | <b>12,869</b>         | <b>(4,297)</b>                                         | <b>7,933</b>    |

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

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

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

## 4. Revenue and Other Income

The Group derives the following types of revenue:

|                                                                  | 2021<br>\$'000 | 2020<br>\$'000 |
|------------------------------------------------------------------|----------------|----------------|
| <b>Sales revenue</b>                                             |                |                |
| Sale of goods                                                    | 10,521         | 8,426          |
| Hire and erection revenue                                        | 12,195         | 16,165         |
| <b>Total sales revenue</b>                                       | <b>22,716</b>  | <b>24,591</b>  |
| <b>Other income</b>                                              |                |                |
| Government grants and subsidies                                  | 975            | 713            |
| Interest income                                                  | -              | 14             |
| Other income                                                     | 7              | 25             |
| <b>Total other income</b>                                        | <b>982</b>     | <b>752</b>     |
| <b>Total revenue and other income from continuing operations</b> | <b>23,698</b>  | <b>25,343</b>  |

### 4.1 Recognition and Measurement

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and rebates payables. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue. Revenue is stated net of the amount of goods and services tax.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue from hire of equipment is recognised when the service is provided.

Interest revenue is recognised using the effective interest method.

### 4.2 Key Judgements, Estimates and Assumptions: Revenue Recognition

#### Hire and Erection Revenue

Revenue recognition relating to the provision of hire equipment services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

## 5. Cash and Cash Equivalents

|                                        | 2021<br>\$'000 | 2020<br>\$'000 |
|----------------------------------------|----------------|----------------|
| Cash on hand                           | 2              | 2              |
| Cash at bank                           | 904            | 1,535          |
| Short term deposits                    | 116            | 248            |
| <b>Total cash and cash equivalents</b> | <b>1,022</b>   | <b>1,785</b>   |

## 6. Share Capital

|                                                         | 2021<br>Number     | 2021<br>\$'000 | 2020<br>Number     | 2020<br>\$'000 |
|---------------------------------------------------------|--------------------|----------------|--------------------|----------------|
| Share capital at the beginning of the reporting period  | 167,706,527        | 26,086         | 82,176,198         | 21,106         |
| Shares issued during the year                           |                    |                |                    |                |
| - April 2020 (placement)                                | -                  | -              | 85,530,329         | 5,132          |
| Transaction costs on raising capital                    | -                  | -              | -                  | (152)          |
| <b>Share capital at the end of the reporting period</b> | <b>167,706,527</b> | <b>26,086</b>  | <b>167,706,527</b> | <b>26,086</b>  |

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 7. Earnings per Share

|                                                              | 2021<br>\$'000 | 2020<br>\$'000 |
|--------------------------------------------------------------|----------------|----------------|
| <b>a) Reconciliation of earnings to profit or loss</b>       |                |                |
| Loss for the year                                            | (2,586)        | (1,222)        |
| Less: Profit attributable to non-controlling equity interest | (260)          | (239)          |
| <b>Earnings used to calculate basic EPS</b>                  | <b>(2,846)</b> | <b>(1,461)</b> |

## 7. Earnings per Share (continued)

|                                                                                                                            | 2021<br>Number     | 2020<br>Number     |
|----------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS</b> | <b>167,706,527</b> | <b>116,542,192</b> |
|                                                                                                                            | 2021<br>Cents      | 2020<br>Cents      |
| <b>c) Earnings per share</b>                                                                                               | <b>(1.697)</b>     | <b>(1.254)</b>     |

### 7.1 Calculation of Earnings per Share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Oldfields Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## 8. Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

| Name of Subsidiary                                               | Principal<br>Place of<br>Business | Ownership Interest |           | Non-Controlling Interests |           |
|------------------------------------------------------------------|-----------------------------------|--------------------|-----------|---------------------------|-----------|
|                                                                  |                                   | 2021<br>%          | 2020<br>% | 2021<br>%                 | 2020<br>% |
| <b>Subsidiaries of Oldfields Holdings Limited:</b>               |                                   |                    |           |                           |           |
| Oldfields Pty Limited                                            | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Advance Scaffold Pty Limited                           | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Administration Pty Limited                             | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| Oldfields International Pty Limited                              | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| Advance Scaffold Solutions Pty Limited                           | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Supply Chain Solutions Pty Ltd                         | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Finance Solutions Pty Ltd                              | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Funds Management Pty Ltd                               | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| <b>Subsidiaries of Oldfields Advance Scaffold Pty Limited:</b>   |                                   |                    |           |                           |           |
| Adelaide Scaffold Solutions Pty Limited                          | Australia                         | 60%                | 60%       | 40%                       | 40%       |
| <b>Subsidiaries of Oldfields Administration Pty Limited:</b>     |                                   |                    |           |                           |           |
| National Office Service Trust                                    | Australia                         | 100%               | 100%      | 0%                        | 0%        |
| <b>Subsidiaries of Oldfields International Pty Limited:</b>      |                                   |                    |           |                           |           |
| Oldfields (NZ) Limited                                           | New Zealand                       | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Paint Applications (NZ) Limited                        | New Zealand                       | 100%               | 100%      | 0%                        | 0%        |
| Oldfields USA Incorporated                                       | USA                               | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Engineering Technology (Henan) Co Limited              | China                             | 100%               | 0%        | 0%                        | 0%        |
| Oldfields Engineering Technology (Shenzhen) Co Limited           | China                             | 100%               | 0%        | 0%                        | 0%        |
| Foshan Advcorp Scaffold Limited                                  | China                             | 100%               | 100%      | 0%                        | 0%        |
| <b>Subsidiaries of Oldfields Supply Chain Solutions Pty Ltd:</b> |                                   |                    |           |                           |           |
| Oldfields Financing Pty Ltd                                      | Australia                         | 100%               | 100%      | 0%                        | 0%        |

## 9. Events After the Reporting Period

There are no matters or circumstances that have arisen since 30 June 2021 which significantly affect or could affect the operations of the Group in future years.