Appendix 4E
Preliminary Final Report to the Australian Stock Exchange
under Listing Rule 4.3A

Name of Entity	Financial Year Ended ('current period')
Oldfield Holdings Limited	30-June-2006

ABN		
02 000 307 988	30-June-2005	30-June-2006

	Results for announcement to the market				$A '000		$A '000
2.1	Revenue from Ordinary Activities	Up	9.65%	from	28,364	to	31,103
	Earnings before interest, tax, depreciation & amortisation	Up	19.05%	from	3,065	to	3,649
2.2	Profit from ordinary activities after tax attributable to members	Up	11.49%	from	1,184	to	1,320
2.3	Profit for the period attributable to members of the parent entity	Up	6.04%	from	1,189	to	1,262

	Dividends		Amount per security	Franked Amount per security
2.4	Final Dividend Paid	Dec. '05	3.5 cents	Nil
	Interim Dividend Paid	May '06	2.5 cents	Nil
	Final Dividend Declared	22 Dec. '06	3.5 cents	Nil

2.5	Record date for determining entitlement to Final Dividend 2006 Year	04-December-2006

	Current Period	Previous corresponding period
Net Assets	12,927,693	11,943,864
Net Assets ($ per share)	1.10	1.15

2.6

	Current Period	Previous corresponding period
Net Tangible Assets	11,613,608	10,936,468
Net Tangible Assets ($ per share)	0.99	1.05

In year ended 30 June, 2006 certain Intangible Assets, being the acquisition and implementation of Pronto General Ledger and Stock/Hire Fleet Computer Software, $241K, and Trademarks and Licences, $187K, were capitalised as Intangible Assets. This has reduced the value of Net Tangible Assets by this amount.
Also, Shareholders were invited to participate in a fully underwritten Non-Renounceable Rights Issue at 80 cents per share which closed on 11 July, 2005.
As a consequence of this Rights Issue, a total of some 1,300,797 shares were issued on 11 July, 2005, increasing the total number of issued shares from 10,406,374 at 30 June, 2005 to 11,707,171.
Subsequently, additional shares were issued in May, 06 to certain shareholders who elected to participate in the company's Dividend Reinvestment Plan, increasing the total number of issued shares to 11,718,313.
The abovenoted restatement of Intangible Assets under AIFRS and the increase in Issued Shares results in the reduction in NTA backing (cents per share) disclosed above in the 2006 year.

Appendix 4E
Preliminary Final Report to the Australian Stock Exchange
under Listing Rule 4.3A

Name of Entity	Financial Year Ended ('current period')
Oldfield Holdings Limited	30-June-2006

ABN		
02 000 307 988	30-June-2005	30-June-2006
Results for announcement to the market	$A '000	$A '000

3 Income Statement for the Year Ended 30 June, 2006.
Prepared in accordance with AASB 101. Refer attached.

4 Balance Sheet as at 30 June, 2006.
Details each significant class of asset, liability and equity, appropriately subtotaled.
Refer attached.

5 Cash Flow Statement for the Year Ended 30 June, 2006.
Incorporates the disclosure requirements of AASB 101. Refer attached.

6	Dividends		Amount per security	Dividend Paid	
				Y/E 30/6/05	Y/E 30/6/06
	Final Dividend Paid	Dec. '05	3.5 cents	$409,751	
	Interim Dividend Paid	May '06	2.5 cents		$292,679
	Final Dividend Declared	22 Dec. '06	3.5 cents		$410,141
					$702,820

7	Dividend Reinvestment Plan in Operation	Yes
8	Statement of Retained Earnings showing movements	See Statement of Changes in Equity
9	Net Tangible Assets including comparatives for previous period	See Item 2.6 above

10 Control over entities gained or lost during the period
Note : No control over any entity was lost during the period

10.1 Name of Entity gained	**10.2** Control Date	**10.3** Contribution to Result
Adelaide Scaffolding Solutions Pty Limited	01/07/2005	160K
Trading operations of ABC Mobile Scaffold Solutions	01/07/2005	Both acquisitions were integrated into trading operations of Oldfields Access Pty Limited and not reported separately.
Trading Operations of Direct Scaffolds (Newcastle)	31/01/2006	

11 Joint Ventures Refer Note 14

11.1 Name of Joint Venture	**11.2** Percentage Held	**11.3** Contribution to Result	
		2006	2005
Tangshan Ace Oldfields	35%	To commence operations 2007 Year	
PT Ace Olsfields	49%	1,123,709	1,230,644
Concrete Pumping Systems	25%	Inactive	
Brisbane Garden Sheds Pty Limited	50%	8,646	4,611
Adelaide Garden Sheds Pty Limited	50%	2,667	1,285
Enduring Enterprises	49%	312,388	146,643
		1,447,410	1,383,183

Appendix 4E
Preliminary Final Report to the Australian Stock Exchange
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Name of Entity		Financial Year Ended ('current period')
Oldfield Holdings Limited		30-June-2006
ABN		
02 000 307 988	30-June-2005	30-June-2006
Results for announcement to the market	$A '000	$A '000

12 **Significant Information for informed assessment of financial performance**
Refer attached 2006 Financial Statements incorporating :
Appendix 4E
2006 Directors Report
2006 Balance Sheet
2006 Income Statement
2006 Cash Flow Statement
2006 Statement of Changes in Equity
2006 Notes to the Financial Statements

13 Foreign Entity Not Applicable

14.1-6 Commentary on comparative results for the current period :
14.1 Earnings per Share
14.2 Shareholder Returns
14.3 Significant features of Operating Performance
14.4 Significant Segment Results
14.5 Overall Performance Trends
14.6 Significant Factors affecting Current and Future Results
Refer attached 2006 Financial Statements as defined in Part 12 above

15 Audit Review/Status
This report is based on Financial Statements which are in the process of being audited and are not likely to be subject to dispute or qualification.

16 Audit Review - Incomplete : Disputes/Qualifications
See 15 : Audit Review/Status above.

17 Audit Review - Complete : Disputes/Qualifications
See 15 : Audit Review/Status above.

OLDFIELDS HOLDINGS LIMITED
AND CONTROLLED ENTITIES

30 June 2006

ABN: 02 000 307 988

CONTENTS

Directors' Report

Income Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to the Financial Statements

OLDFIELDS HOLDINGS LIMITED
ABN: 02 000 307 988

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2006.

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
Douglas H Oldfield

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

Company Secretary

The following person held the position of company secretary at the end of the financial year: Gary J Guild.

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;
- manufacture, marketing and sales of outdoor storage systems, aviaries and pet homes on a local and international basis;
- manufacture and marketing of scaffolding and related equipment, and
- operation of a hire division, hiring scaffolding and related products to the building and construction industry.

There were no other 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 minority equity interests amounted to $1,261,528.

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:
Ordinary dividend paid on 18 November 2005, as recommended in last year's report $409,751.
Interim ordinary dividend of 2.5 cents per share paid on 13 April 2006 2006 $292,680
Final ordinary dividend of 3.5 cents per share recommended by the Directors $410,141

Review of Operations

The Directors are pleased to announce for the full year ending 30 June 2006, the company made a net profit attributable to members of $1,261,528. This compares to a net profit in the same period last year of $1,189,216, an increase of 6.08%.

The actual revenues earned from ordinary operations, being sales from Paint Applications, Treco Sheds, hire and sale of Scaffolding Equipment increased in the 2006 year by 9.65% to $31,103,369, whilst operational EBITDA increased by 19.05% to $3.65 million from $3.07 million from the corresponding 2005 year.

In order to adequately reflect the value of the Scaffold Division's Fixed Assets on transition to AIFRS, it was decided by the Audit Committee that an impairment loss of $92,251 to the fixed asset value of the Hire Fleet Fixed Assets under AIFRIS guidelines was neccessary. The impairment loss recognised in the income statement during the prior period amounted to $73,062 and the impairment loss recognised in the income statement during the current period amounted to $19,189.

Debt Structure and Gearing

The Company's long term and short term debt structure (including all lease liabilities) is $7.1 million as at June 2006. The Company's total assets are $26.04 million as at 30 June 2006. There are 11.718 million shares on issue as at 30 June 2006. We anticipate that the Group.s total debt will increase slightly next year in the corresponding period but remain in proportion to its total assets as a result of any future planned acquisitions.

Dividends

The Company plans to pay a 3.5 cent unfranked final dividend on 22 December 2006 with record date being the 4th December. Our Company policy is to pay a dividend on an ongoing basis, subject to cash flow restraints. For the last three years the Company has regularly improved its payment of annual unfranked dividends. Fully franked dividends will only be declared and paid when accumulative previous years' tax 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
PT Ace Oldfields
Oldfields Access Hire
Treco Garden Sheds
Tangshan Ace Oldfields Painting Accessories Co, Ltd

Paint Application Products

Despite fewer new contracts in this division becoming avaliable this yearand a worsening building and construction outlook for the Eastern States, the division performed to expectations.

The revenue for this division was down on last year, however the overall profit contribution rose modestly due to cost restraint and management's cost minimisation strategies.

Whilst the division's distribution network is not easily duplicated and would serve as a barrier to entry, the Company is proud of it's long-standing 90 year history, it's quality, brand name and reputation. The industry in Australia is now saturated with many suppliers also opting to import products from low cost countries.

Oldfields has become more competitive during the last four years and expects that it's 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 2007.

PT Ace Oldfields

This division is an associated entity that manufactures paint brushes and rollers in Indonesia. It experienced increased revenue growth during the year and currently, revenue is in line with management budget. This division produces a high quality product made in South East Asia.

As announced in May 2006, this division's major US customer has given us notice it plans to re-source locally as of the end of October 2006. This will have an impact on the revenue for this division in the short term and is likely to effect the division's 2007 outlook.

Management is looking to fill the latent capacity resulting from the above situation with a multitude of supply options using our premium product lines. Whilst discussions are continuing and we have been requested to tender for new business, there is nothing certain to report as yet, and the directors will keep the market informed. There is an opportunity to replace this latent capacity with an improved situation all round and management is currently looking at this as an opportunity to review our mix of overseas customers and our product mix.

Oldfields Access Hire

This business has maintained it's increased revenue over last year despite worsening construction cycle outlook and forecasts. The division undertook to expand with the integration of it's new network of branches in North East Queensland (Qld), South Australia (SA) and Newcastle. These new branches exceeded revenue budgeted forecasts for the year.

The team was also successful in winning prestigious scaffolding work during the year. The team is very much performance driven with focus on OH&S related issues within it's market and providing access solutions through design and innovation to a variety of leading construction and hire clients. The division currently has a significant number of tenders awaiting decision in late 2006/early 2007.

The business management was re-structured during early 2006, leaving a more steamline reporting structure. The factory was re-located to our present site at 8 Farrow Road, Campbelltown in January 2006 and the manufacturing process has improved significantly in the past few months.

The Company undertook a significant Hire Fleet evaluation exercise as a result of our March 2006 stocktake, as previously announced. The findings illustrated some variances in data integrity with the Hire Fleet data within our ERP system. The Company employed an independent consultant to verify it's costings and Bills of Materials in manufacturing. This assisted management in determining a more accurate valuation of it's fixed assets within this division and resulted in an impairment of $92,251 to fixed assets under AIFRS guidelines. The impairment loss recognised in the Income Statement during the prior period amounted to $73,062, and the impairment loss recognised in the Income Statement during the current period amounted to $19,189.

Growth in this division is being maintained with it's 75% owned subsidiary Adelaide Scaffolding Solutions Pty Limited's acquisition of the scaffolding business of a small scaffolder known as ABC Mobile Scaffolds, on 1 July 2005, in Adelaide. This business has integrated seamlessly into our current operations and as such, has well exceeded sales targets set by management. In July 2006, Adelaide Scaffolding Solutions Pty Limited also agreed to purchase a WA scaffolding business known as Aluminium Scaffolding Services. This business is located south of Perth and is experiencing solid growth with a positive earnings per share outlook. We expect to integrate this business as soon as possible.

The division will continue to look for appropriate growth opportunities.

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

The company is expected to be a major contrbutor to the group's earnings growth in the next few years. The groundwork has been set for a market leader category in it's particular niche in the growing Scaffold Market.

Treco Garden Sheds

This division's revenue increased significantly during the last twelve months. However it's operating margin dropped as a result of world commodity pressures that have not been fully passed on to it's customers. The division is feeling the pressure from escalating steel prices and managing this cycle remains it's single largest challenge.

This division's overall net contribution worsened during the year. A management change was effected late in the financial year. Currently, management is reviewing it's cost base and it's pricing in light of the world commodity changes.

The division is budgeting for an improved performance in 2006 - 07. Management remains confident that given a improving commodities market and a better mix of local to export customers that a better result can be achieved.

This division's manufacturing base occupies most of our current location at No 8 Farrow Road, Campbelltown, NSW 2560.

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.

The Company is pleased to report that the first stages of the construction process are now completed at it's new premises. A very impressive, functional world-class operation has been established for the JV Company in China. We anticipate that a fit-out of machinery and certain training and operational review will be conducted between August and October 2006. We anticipate that pre-production will occur during this process and a move into full swing production will result in late 2006 calendar year.

The Company has already received invitations to quote export contracts and will consider emerging markets as well as the large local Chinese market. This JVC will provide our Australian shareholders an opportunity to be part of the fast growing Chinese market within a disciplined and controlled environment.

Future Outlook

Our Company will consolidate it's operations in the next few months with a focus on further cost reduction and efficiency gains. The Company is budgeting for increased revenue and profits for the next twelve months. The first few months trading of the new 2007 financial year is showing strong steady improvements. The Company will continue to look for acquisition opportunities in it's current operations and will attempt to finalise some major contracts with products it has been developing with major construction companies.

The Directors believe that given the continual improvement in trading performance, shareholders value will also continue to improve. Currently the Company has committed funds to the Joint Venture in China. The Company anticipates a return of these funds from 2008. This is anticipated to enhance shareholder earnings.

Despite our good operational performance, the majority of Directors feel that the net earnings would improve significantly if the Company were able to merge or acquire another suitable small publicly listed company or other suitable entities, effectively marginalising the effect of it's Head Office and Administration associated with a listed Public Company on it's business units.

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. These may involve activities that are diversified to the current operations resulting in certain synergies gains. The Company recognises it has strong synergy possibilities with other key groups and will encourage discussion with interested parties in light of it's sustained strong earnings and dividends history. In achieving this goal, the Board also recognises the potential to improve share liquidity issues associated with the current tightly held Share Register.

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 the Company progress. It is our goal to continue to improve shareholder value over the next 12 months.

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the company's financial report has been prepared in accordance with those Standards. A reconciliation of adjustments arising on the transition to AIFRS is included in Note 2 to this report.

After Balance Date Events

The Company's 75% subsidiary Adelaide Scaffolding Solutions Pty Ltd has purchased the business and assets of a WA based Aluminium Scaffolding business known as Aluminium Scaffolding Services. The purchase will be entirely debt funded and will be integrated as soon as possible. There remains a $70,000 delayed payment to the vendor, Stathairlie Investments Pty Ltd, due in it's entirety by 1st September 2007.

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 wherby 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 significabt breaches during the period covered by this report.

Information on Directors

John R Westwood	—	Chairman (Non Executive), Age 55.
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.**
Interest in Shares and Options	—	**As detailed below.**
Special Responsibilities	—	**Mr. Westwood is a Member of the Remumeration Committee.**
Directorships held in other listed entities	—	**Nil.**
Anthony Mankarios	—	Managing Director, Age 40.

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 fo 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 Remumeration Committee.**
Directorships held in other listed entities	—	**Nil.**
Thomas D J Love	—	Director (Non Executive), Age 75.
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 publicly 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	—	Director (Non Executive), Age 54.
Qualifications	—	**Batchelor of Business (Accounting), Registered Tax Agent, Justice of Peace.**
Experience	—	**Board member since 2001. Mr. Hext was a Certified Practicing Accountant and has held senior accounting and management positions in companies of al sizes.**
Interest in Shares and Options	—	**As detailed below.**
Special Responsibilities	—	**Mr. Hext is a Chairman of the Audit Committee.**
Directorships held in other listed entities	—	**Nil.**
Hugh B Oldfield	—	Director (Executive) - Resigned 13 June 2006.
James W Toland	—	Director (Non Executive), Age 55.
Qualifications	—	**Industrial Chemist.**
Experience	—	**Board member since 2001. Mr. Toland has extensive experience in the paint and chemical industry. Mr. Toland is also a real estate developer with extensive commercial experience.**
Interest in Shares and Options	—	**As detailed below.**
Special Responsibilities	—	**Mr. Toland the Chairman of the Remuneration Committee and member of the Audit Committee.**
Directorships held in other listed entities	—	**Nil.**
Douglas H Oldfield	—	Director (Non Executive), Age 28 - Appointed 13 June 2006.
Qualifications	—	**Batchelor of Business Degree.**
Experience	—	**Has a broad knowledge of the Paint Applications business after working at Oldfields previously for many years.**
Directorships held in other listed entities	—	**Nil.**

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.

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 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 the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the groups goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Oldfields Holdings Limited bases the assessment on audited figures, however, where the KPI involves comparison of the group or a division within the group to the market, independent reports are obtained from organisations such as Standard & Poors.

Company performance, shareholder wealth and director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, 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 dividends 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 [insert year], 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.

Remuneration Report

	2002	2003	2004	2005	2006
Revenue	43,668,512	36,691,964	24,409,710	28,364,084	31,103,369
Net Profit	(4,302,969)	1,788,793	900,067	1,189,631	1,261,527
Share Price at Year-end	0.50	0.86	1.00	0.90	1.00

* 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 2006

The remuneration for each director and each of the five 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	41,600	3,744	-	9,697	-	55,041
Anthony Mankarios	198,999	17,910	-	27,108	212	244,229
Thomas D J Love	26,000	-	-	1,546	-	27,546
Christopher C Hext	27,667	2,490	-	-	42	30,199
Hugh B Oldfield	97,888	8,810	-	18,527	-	125,225
James W Toland	26,000	2,340	-	-	-	28,340
	418,154	35,294	-	56,878	254	510,580
Specified Executives						
Gary J Guild	100,750	9,067	-	2,261	-	112,078
Raymond J Titman	81,000	7,290	-	33,285	42	121,617
Kenneth E Holloway	44,027	-	-	24,789	42	68,858
	225,777	16,357	-	60,335	84	302,553

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 2006

No options were issued to directors and executives as part ot their renumeration in the year ended 30 June 2006.

Employment contracts of directors and senior executives

Executive directors and executives are paid performance based bonuses on set monetary figures, rather than proportions of their salary. This has led to the proportions of renumeration related to performance varying between individuals. The renumeration 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 renumeration committee will review the performance bonuses to guage 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 ans efficient methods.

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 as follows:

	Directors' Meetings		Committee Meetings			
			Audit Committee		Renumeration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John R Westwood	10	10	-	-	3	3
Anthony Mankarios	10	10	-	-	3	3
Thomas D J Love	10	9	5	5	-	-
Christopher C Hext	10	10	5	5	-	-
Hugh B Oldfield	9	9	-	-	-	-
James W Toland	10	10	5	4	3	3
Douglas H Oldfield	-	-	-	-	-	-

Indemnifying Officers or Auditor

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

The company has paid premiums to insure 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 prohobits disclosure of the amount of the premium.

Options

At the date of this report, the unissued ordinary shares of Oldfields Holdings Limited under option are as follows

Grant Date	Date of expiry	Exercise price	Number under option
03. 11. 03	02. 11. 06	$1.20	137,500
19. 11. 03	18. 11. 06	$1.20	300,000
			437,500

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.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2006:

	$
Taxation services	11,250
Due diligence investigations	29,250
	40,500

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2006 has been received and can be found on page 9 of the directors' report.

Director

T Mankarios

Anthony Mankarios

Dated this 13th day of September 2006

OLDFIELDS HOLDINGS LIMITED
ABN: 02 000 307 988
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

		Economic Entity		Parent Entity	
	Note	2006	2005	2006	2005
		$	$	$	$
Sales Revenue	3	20,632,483	20,183,112	-	-
Cost of Sales	4	(15,933,451)	(14,727,958)	-	-
Gross Profit		4,699,032	5,455,154	-	-
Other income	3	10,470,886	8,180,972	-	377,736
Distribution expenses		(8,767,085)	(7,547,110)	-	-
Marketing expenses		(1,031,034)	(843,363)	-	-
Occupancy expenses		(912,371)	(1,010,510)	-	-
Administrative expenses		(2,279,132)	(2,304,393)	(313)	(619)
Finance costs	4	(792,635)	(658,599)	-	-
Share of net profits of associates and joint ventures		334,229	276,249	-	-
Profit before income tax		1,721,890	1,548,400	(313)	377,117
Income tax expense	5	(401,434)	(364,652)	-	-
Profit for the year		1,320,456	1,183,748	(313)	377,117
(Profit) / Loss attributable to minority equity interest	2	(58,928)	5,468	-	-
Profit attributable to members of the parent entity		1,261,528	1,189,216	(313)	377,117

Overall Operations			
Basic earnings per share (cents per share)	9	10.77	11.43
Diluted earnings per share (cents per share)	9	10.38	10.92
Dividends per share (cents)		6.00	5.00

The accompanying notes form part of these financial statements.

OLDFIELDS HOLDINGS LIMITED
ABN: 02 000 307 988
BALANCE SHEET
AS AT 30 JUNE 2006

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	10	809,412	309,539	24,955	28,120
Trade and other receivables	11	4,451,987	3,519,920	2,557,273	1,908,605
Inventories	12	4,328,909	4,609,943	-	-
Other current assets	20	1,029,892	719,247	-	-
TOTAL CURRENT ASSETS		10,620,200	9,158,649	2,582,228	1,936,725
NON-CURRENT ASSETS					
Trade and other receivables	11	1,090	1,140	-	-
Investments accounted for using the equity method	13	1,447,410	1,383,183	-	-
Financial assets	16	815,589	210,620	7,209,076	7,209,076
Property, plant and equipment	18	10,698,228	9,320,073	-	-
Deferred tax assets	23	1,197,767	1,515,291	1,176,457	1,475,066
Intangible assets	19	1,314,085	1,007,396	-	-
TOTAL NON-CURRENT ASSETS		15,474,169	13,437,703	8,385,533	8,684,142
TOTAL ASSETS		26,094,369	22,596,352	10,967,761	10,620,867
CURRENT LIABILITIES					
Trade and other payables	21	4,811,659	3,387,040	938,280	877,546
Short-term borrowings	22	2,939,305	2,715,164	-	-
Current tax liabilities	23	110,845	5,015	5,015	5,015
Short-term provisions	24	911,452	826,903	-	-
TOTAL CURRENT LIABILITIES		8,773,261	6,934,122	943,295	882,561
NON-CURRENT LIABILITIES					
Trade and other payables	21	-	-	-	-
Long-term borrowings	22	4,186,393	3,509,088	-	-
Deferred tax liabilities	23	94,873	94,873	94,873	94,873
Other long-term provisions	24	112,149	114,405	-	-
TOTAL NON-CURRENT LIABILITIES		4,393,415	3,718,366	94,873	94,873
TOTAL LIABILITIES		13,166,676	10,652,488	1,038,168	977,434
NET ASSETS		12,927,693	11,943,864	9,929,593	9,643,433
EQUITY					
Issued capital	25	9,714,143	8,725,550	9,714,143	8,725,550
Reserves		(561,709)	39,162	1,319	1,007
Retained earnings		3,421,799	2,884,621	214,131	916,876
Parent interest		12,574,233	11,649,333	9,929,593	9,643,433
Minority equity interest		353,460	294,531	-	-
TOTAL EQUITY		12,927,693	11,943,864	9,929,593	9,643,433

The accompanying notes form part of these financial statements.

OLDFIELDS HOLDINGS LIMITED
ABN: 02 000 307 988
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Share Capital Ordinary	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Minority Equity Interests	Total
Economic Entity		$	$	$	$	$	$
Balance at 1 July 2004	2	8,525,550	2,210,639		388		10,736,577
Shares issued during the year		200,000				300,000	500,000
Profit attributable to members of parent entity			1,189,216				1,189,216
Profit attributable to minority shareholders						(5,469)	(5,469)
Adjustments from translation of foreign controlled entities				38,155			38,155
Option reserve on recognition of bonus element of options					619		619
Sub-total		8,725,550	3,399,855	38,155	1,007	294,531	12,459,098
Dividends paid or provided for	8		(515,234)				(515,234)
Balance at 30 June 2005		8,725,550	2,884,621	38,155	1,007	294,531	11,943,864
Shares issued during the year		988,593					988,593
Profit attributable to members of parent entity			1,261,527				1,261,527
Profit attributable to minority shareholders						58,929	58,929
Others			(21,918)				(21,918)
Option reserve on recognition of bonus element of options					312		312
Current year loss on translation of foreign entities				(601,183)			(601,183)
Sub-total		9,714,143	4,124,230	(563,028)	1,319	353,460	13,630,124
Dividends paid or provided for	8		(702,431)				(702,431)
Balance at 30 June 2006		9,714,143	3,421,799	(563,028)	1,319	353,460	12,927,693

The accompanying notes form part of these financial statements.

	Note	Share Capital Ordinary	Retained Earnings	Foreign Currency Translation	Option Reserve	Total
Parent Entity		$	$	$	$	$
Balance at 1 July 2004		8,525,550	1,054,993		388	9,580,931
Shares issued during the year		200,000				200,000
Profit attributable to members of parent entity			377,117			377,117
Option reserve on recognition of bonus element of options					619	619
Sub-total		8,725,550	1,432,110	-	1,007	10,158,667
Dividends paid or provided for	8		(515,234)			(515,234)
Balance at 30 June 2005		8,725,550	916,876	-	1,007	9,643,433
Shares issued during the year		988,593				988,593
Profit attributable to members of parent entity			(313)			(313)
Option reserve on recognition of bonus element of options					312	312
Sub-total		9,714,143	916,563	-	1,319	10,632,025
Dividends paid or provided for	8		(702,431)			(702,431)
Balance at 30 June 2006		9,714,143	214,132	-	1,319	9,929,594

OLDFIELDS HOLDINGS LIMITED
ABN: 02 000 307 988
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		32,923,714	26,668,063	-	-
Dividends received		-	-	-	-
Interest received		4,271	2,154	453	165
Payments to suppliers and employees		(30,522,015)	(23,884,989)	(997)	(1,204)
Finance costs		(615,873)	(555,760)	-	-
Income tax paid		-	-	-	-
Net cash provided by (used in) operating activities	29a	1,790,097	2,229,468	(544)	(1,039)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		158,327	33,000	-	-
Proceeds from sale of investments		-	-	-	-
Proceeds from sale of [insert division name]		-	-	-	-
Proceeds from disposal of subsidiary	29c	-	-	-	-
Proceeds from issue of ordinary shares		1,040,637	-	1,040,637	-
Purchase of property, plant and equipment		(1,717,049)	(1,729,390)	-	-
Purchase of investments		(1,167,745)	(800,000)	-	-
Purchase of other non-current assets		-	-	-	-
Payment for subsidiary, net of cash acquired	29b	-	-	-	-
Net cash provided by (used in) investing activities		(1,685,830)	(2,496,390)	1,040,637	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		-	-	-	-
Proceeds from borrowings		915,000	1,010,000	-	-
Advances - Related Parties		-	-		515,234
Share buy-back payment		-	-	-	-
Repayment of borrowings		(364,525)	(228,422)	-	-
Dividends paid by parent entity		(682,229)	(517,706)	(682,229)	(517,706)
Dividends paid by controlled entities to outside equity interests		-	-	-	-
Payments - Related Parties		-	-	(361,029)	-
Net cash provided by (used in) financing activities		(131,754)	263,872	(1,043,258)	(2,472)
Net increase in cash held		(27,487)	(3,050)	(3,165)	(3,511)
Cash at beginning of financial year	2k	(802,953)	(799,903)	28,120	31,631
Effect of exchange rates on cash holdings in foreign currencies		-	-	-	-
Cash at end of financial year	10	(830,440)	(802,953)	24,955	28,120

The accompanying notes form part of these financial statements.

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, 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 of Oldfields Holdings Limited and controlled entities, and Oldfields Holdings Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of Preparation
First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Oldfields Holdings Limited and controlled entities, and Oldfields Holdings Limited as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2006 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of Oldfields Holdings Limited to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity Oldfields Holdings Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 17 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

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

Minority equity 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 charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

Oldfields Holdings Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from [insert date]. 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 the 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. Costs are assigned on the basis of weighted average costs or standard cost.

(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 and impairment

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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 that will be received from the assets employment and subsequent disposal. The expected net cash flows have 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. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(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 that are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised by recording 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 charged 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 life of the lease term.

(f) Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments
These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Impairment
At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised group's share of post acquisition reserves of its associates.

(i) 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 financial statements. Details of the economic entity's interests are shown in Note 15.

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.

(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 assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 10 to 20 years.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(k) Foreign Currency Transactions and Balances

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 and presentation currency.

Transaction and balances

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 yearend 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

Exchange differences arising on the translation of monetary items are recognised in the income statement, 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 equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

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

— assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
— income and expenses are translated at average exchange rates for the period; and
— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the groups foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(l) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

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.

(m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(o) 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.

Revenue from investment properties is recognised on an accruals basis or straight line basis in accordance with leases agreements.
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).

(p) 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 income in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Share Based Payments

Equity settled share-based payments granted after 7 November 2002, that were not exercised as of 30 June 2006, are measured at fair value at the date of grant. Fair value is measured by use of the Black Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

(s) Comparative Figures

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

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of goodwill for the year ended 30 June 2006. Should the projected turnover figures be outside [insert percentage] of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of goodwill at 30 June 2006 amounting to [insert amount].

Key judgments — Doubtful debts provision

Included in accounts receivable at 30 June 2006 is an amount receivable from sales made to [insert company name] during the current financial year amounting to [insert amount]. [insert company name] went into liquidation in [insert date]. The directors believe that the full amount of the debt is recoverable from the liquidators, and no doubtful debt provision has been made at 30 June 2006.

Note 2 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

	Note	Previous GAAP at 1 July 2004 $	Effect of Transition to Australian Equivalents to IFRS $	Australian Equivalents to IFRS at 1 July 2004 $
Economic Entity				
Reconciliation of Equity at 1 July 2004				
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		235,687	-	235,687
Trade and other receivables		4,891,030	-	4,891,030
Inventories		4,759,700	-	4,759,700
Other current assets		477,366	-	477,366
TOTAL CURRENT ASSETS		10,363,783	-	10,363,783

NON-CURRENT ASSETS				
Investments accounted for using the equity method		1,227,529	-	1,227,529
Financial assets		1,430	-	1,430
Property, plant and equipment	2(i)	7,366,426	(41,430)	7,324,996
Deferred tax assets	2(a)	2,684,606	(312,593)	2,372,013
Intangible assets	2(b)	58,890	(16,631)	42,259
TOTAL NON-CURRENT ASSETS		11,338,881	(370,654)	10,968,227
TOTAL ASSETS		21,702,664	(370,654)	21,332,010
CURRENT LIABILITIES				
Trade and other payables		4,126,493	-	4,126,493
Short-term borrowings		2,606,020	-	2,606,020
Short-term provisions		663,089	-	663,089
TOTAL CURRENT LIABILITIES		7,395,602	-	7,395,602
NON-CURRENT LIABILITIES				
Long-term borrowings		2,554,195	-	2,554,195
Deferred tax liabilities		563,294	-	563,294
Long-term provisions		82,342	-	82,342
TOTAL NON-CURRENT LIABILITIES		3,199,831	-	3,199,831
TOTAL LIABILITIES		10,595,433	-	10,595,433
NET ASSETS		11,107,231	(370,654)	10,736,577
EQUITY				
Issued capital		8,525,550	-	8,525,550
Reserves	2(d)	643,969	(643,581)	388
Retained earnings	2(e)	1,937,712	272,927	2,210,639
Parent interest		11,107,231	(370,654)	10,736,577
Minority equity interest		-		-
TOTAL EQUITY		11,107,231	(370,654)	10,736,577

	Note	Previous GAAP at 30 June 2005 $	Effect of Transition to Australian Equivalents to IFRS $	Australian Equivalents to IFRS at 30 June 2005 $
Economic Entity				
Reconciliation of Equity at 30 June 2005				
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		309,539	-	309,539
Trade and other receivables		3,519,920	-	3,519,920
Inventories		4,609,943	-	4,609,943
Other current assets		744,058	(24,811)	719,247
TOTAL CURRENT ASSETS		9,183,460	(24,811)	9,158,649
NON-CURRENT ASSETS				
Trade and other receivables		1,140	-	1,140
Investments accounted for using the equity method		1,383,183	-	1,383,183
Financial assets		210,620	-	210,620
Property, plant and equipment	2(i)	9,408,123	(88,050)	9,320,073
Deferred tax assets	2(a)	1,816,323	(301,032)	1,515,291
Intangible assets	2(b)	956,439	50,957	1,007,396
TOTAL NON-CURRENT ASSETS		13,775,828	(338,125)	13,437,703
TOTAL ASSETS		22,959,288	(362,936)	22,596,352
CURRENT LIABILITIES				
Trade and other payables		3,387,040	-	3,387,040
Short-term borrowings		2,715,164	-	2,715,164
Current tax liabilities		5,015	-	5,015
Short-term provisions		826,903	-	826,903
TOTAL CURRENT LIABILITIES		6,934,122	-	6,934,122
NON-CURRENT LIABILITIES				
Long-term borrowings		3,509,088	-	3,509,088
Deferred tax liabilities		94,873	-	94,873

Long-term provisions		114,405	-	114,405
TOTAL NON-CURRENT LIABILITIES		3,718,366	-	3,718,366
TOTAL LIABILITIES		10,652,488	-	10,652,488
NET ASSETS		12,306,800	(362,936)	11,943,864
EQUITY				
Issued capital		8,725,550	-	8,725,550
Reserves	2(d)	682,124	(642,962)	39,162
Retained earnings	2(e)	2,612,109	272,512	2,884,621
Parent interest		12,019,783	(370,450)	11,649,333
Minority equity interest		287,017	7,514	294,531
TOTAL EQUITY		12,306,800	(362,936)	11,943,864

Parent Entity

Reconciliation of Equity at 1 July 2004

	Note	Previous GAAP at 1 July 2004 $	Effect of Transition to Australian Equivalents to IFRS $	Australian Equivalents to IFRS at 1 July 2004 $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		31,631	-	31,631
Trade and other receivables		1,609,021	-	1,609,021
TOTAL CURRENT ASSETS		1,640,652	-	1,640,652
NON-CURRENT ASSETS				
Other financial assets		7,209,076	-	7,209,076
Deferred tax assets		2,343,349	-	2,343,349
TOTAL NON-CURRENT ASSETS		9,552,425	-	9,552,425
TOTAL ASSETS		11,193,077	-	11,193,077
CURRENT LIABILITIES				
Trade and other payables		1,048,852	-	1,048,852
TOTAL CURRENT LIABILITIES		1,048,852	-	1,048,852
NON-CURRENT LIABILITIES				
Deferred tax liabilities		563,294	-	563,294
TOTAL NON-CURRENT LIABILITIES		563,294	-	563,294
TOTAL LIABILITIES		1,612,146	-	1,612,146
NET ASSETS		9,580,931	-	9,580,931
EQUITY				
Issued capital		8,525,550	-	8,525,550
Reserves	2(g)	901,620	(901,232)	388
Retained earnings	2(h)	153,761	901,232	1,054,993
TOTAL EQUITY		9,580,931	-	9,580,931

Parent Entity

Reconciliation of Equity at 30 June 2005

	Note	Previous GAAP at 30 June 2005 $	Effect of Transition to Australian Equivalents to IFRS $	Australian Equivalents to IFRS at 30 June 2005 $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		28,120	-	28,120
Trade and other receivables		1,908,605	-	1,908,605
TOTAL CURRENT ASSETS		1,936,725	-	1,936,725
Financial assets		7,209,076	-	7,209,076
Deferred tax assets		1,475,066	-	1,475,066
TOTAL NON-CURRENT ASSETS		8,684,142	-	8,684,142
TOTAL ASSETS		10,620,867	-	10,620,867

CURRENT LIABILITIES				
Trade and other payables		877,546	-	877,546
Current tax liabilities		5,015	-	5,015
TOTAL CURRENT LIABILITIES		882,561	-	882,561
NON-CURRENT LIABILITIES				
Deferred tax liabilities		94,873	-	94,873
TOTAL NON-CURRENT LIABILITIES		94,873	-	94,873
TOTAL LIABILITIES		977,434	-	977,434
NET ASSETS		9,643,433	-	9,643,433
EQUITY				
Issued capital		8,725,550	-	8,725,550
Reserves	2(g)	901,620	(900,613)	1,007
Retained earnings	2(h)	16,263	900,613	916,876
TOTAL EQUITY		9,643,433	-	9,643,433

	Note	Previous GAAP 2005 $	Effect of Transition to Australian Equivalents to IFRS 2005 $	Australian Equivalents to IFRS 2005 $
Economic Entity				
Reconciliation of Profit or Loss for 2005				
Sales Revenue		20,183,112	-	20,183,112
Cost of Sales		(14,727,958)	-	(14,727,958)
Gross Profit		5,455,154	-	5,455,154
Other income		8,180,972	-	8,180,972
Distribution expenses		(7,514,603)	(32,507)	(7,547,110)
Marketing expenses		(843,363)	-	(843,363)
Occupancy expenses		(1,010,510)	-	(1,010,510)
Administrative expenses	2(c)	(2,303,774)	(619)	(2,304,393)
Insert Details		-		-
Finance costs		(658,599)	-	(658,599)
Share of net profits of associates and joint ventures		276,249	-	276,249
Profit before income tax expense		1,581,526	(33,126)	1,548,400
Income tax expense		(404,877)	40,225	(364,652)
Profit from continuing operations		1,176,649	7,099	1,183,748
Profit/(loss) from discontinued operations				-
Profit for the year		1,176,649	7,099	1,183,748
Profit attributable to minority equity interest	2(e)	12,982	(7,514)	5,468
Profit attributable to members of the parent entity		1,189,631	(415)	1,189,216
Parent Entity				
Reconciliation of Profit or Loss for 2005				
Other income		377,736	-	377,736
Administrative expenses	2(f)	-	(619)	(619)
Insert Details		-		-
Profit before income tax expense		377,736	(619)	377,117
Income tax expense				-
Profit for the year		377,736	(619)	377,117
Profit attributable to minority equity interest				-
Profit attributable to members of the parent entity		377,736	(619)	377,117

	30 June 2005 $	1 July 2004 $
Notes to the reconciliations of equity and profit and loss at 1 July 2004 and 30 June 2005		
(a) Deferred tax asset adjustments comprise:		
Economic Entity		
Tax losses written back	(341,257)	(341,257)
Research & Development written off	16,083	15,433

Impairment of Plant, Property & Equipment	24,142	13,231
Total	(301,032)	(312,593)

(b)
Under AASB, goodwill is no longer amortised but subject to impairment testing.

All goodwill amortised under previous GAAP has been reversed. Goodwill amounting to $34,695 has been reversed to retained earnings at 30 June 2005.

(c) Under AASB 2, share based payments associated with share options issued to directors and employees are expensed in the Income Statement	619	388
(d) Reserves Comprise:		
Share baesd payments	1,007	388
Transfer to Retained Earnings	(643,969)	(643,969)
Total	(642,962)	(643,581)
(e) Retained Earnings comprise:		
Share base payments	(1,007)	(388)
Restatement of prior year balances	37,485	37,485
Write-off of Research & Development	(53,610)	(51,441)
Tax losses written back	(341,257)	(341,257)
Income tax adjustments relating to AIFRS adjustments	40,225	28,664
Impairment loss on Plant, Property & Equipment	(80,474)	(44,105)
Reversal of Goodwill previously amortised	34,695	-
Transfer of Reserves	643,969	643,969
Goodwill amortisation on Minority Equity interest	(7,514)	-
Total	272,512	272,927
Parent Entity		
(f) Under AASB 2, share based payments associated with share options issued to directors and employees are expensed in the income statement.	619	388
(g) Reserve Comprise:		
Share based payments	1,007	388
Transfer to Retained Earnings	(901,620)	(901,620)
Total	(900,613)	(901,232)

(h) An impairment loss amounting to $80,474 has been recognised under AIFRS relating to Plant & Machinery which has been written down to it's recoverable amount. This has been recognised in the income statement for the year ended 30 June 2005.

Note 3 Revenue

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		$	$	$	$
Operating activities					
— sale of goods		20,632,483	20,183,112	-	-
— dividends received	3(a)	-	-	-	-
— interest received	3(a)	165,732	76,044	-	-
— rental revenue for property investment		10,170,971	7,982,355	-	-
— Commission		7,430	3,413	-	-
Total Revenue		30,976,616	28,244,924	-	-
Non-operating activities					
— Proceeds on sale of property, plant and equipment		116,937	40,273	-	-
— Other revenue from non-operating activities		9,816	47,502	-	377,736
Other Income		126,753	87,775	-	377,736
(a) Interest revenue from:					
— wholly-owned controlled entities		162,000	74,628	-	-
— other persons		3,732	1,416	-	-
Total interest revenue		165,732	76,044	-	-

Note 4 Profit for the Year

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
(a) Expenses	$	$	$	$
Cost of sales	15,933,451	14,727,958	-	-
Finance costs:				
— Wholly-owned subsidiaries	-	-	-	-
— Partly owned subsidiaries	162,000	74,628	-	-
— Other persons	630,635	583,971	-	-
Total finance costs	792,635	658,599	-	-

Bad and doubtful debts:				
— trade receivables	-	7,712	-	-
Total bad and doubtful debts	-	7,712	-	-

Note 5 Income Tax Expense

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
(a) The components of tax expense comprise:					
Current tax		76,837	5,113		
Deferred tax	23	321,758	389,319	-	-
Recoupment of prior year tax losses					
Under provision in respect of prior years		2,840	(29,780)		
		401,435	364,652	-	-
(b) The prima facie tax on profit from ordinary activities before tax as follows					
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2005: 30%)					
— economic entity		516,567	464,520		
— parent entity				-	113,135
		516,567	464,520	-	113,135
Add:					
Tax effect of:					
— other non-allowable items		7,040	6,869	-	-
— under provision for income tax in prior year		2,840	-	-	-
		526,447	471,389	-	113,135
Less:					
Tax effect of:					
— share of net profits of associates and joint venture entities netted directly		125,013	76,957	-	-
— dividends received from Subsidiareis		-	-	-	113,321
— overprovision in prior year		-	29,780	-	-
		401,434	364,652	-	(186)
Income tax expense to wholly-owned subsidiaries under the tax sharing agreement					(414,252)
Income tax attributable to entity		401,434	364,652	-	(414,438)
The applicable weighted average effective tax rates are as follows:		23%	24%	0%	0%

The decrease in the weighted average effective consolidated tax rate for 2006 is a result of accelerated tax allowances on plant and equipment compared to 2005.

Note 6 Key Management Personnel Compensation

(a) Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	**Position**
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 (Retired 13 June 2006)
James W Toland	Director - Non Executive.
Douglas H Oldfield	Director - Non Executive (Appointed 13 June 2006)
Specified Executives	
Kenneth E Holloway	Marketing Director - Oldfields Paint Applications.
Raymond J Titman	Business Manager - Oldfields Paint Applications.
Gary J Guild	Group Financial Controller / Company Secretary.

(f) **Options and Rights Holdings**

Number of Options Held by Key Management Personnel

2006	Balance 1/7/05	Granted as Compensation	Options Exercised*	Net Change Other*	Balance 30/6/06	Total Vested 30/6/06	Total Exercisable 30/6/06	Total Unexercisable 30/6/06
J Westwood	-				-		-	
A Mankarios	250,000	-	-	-	250,000		250,000	
C Hext	50,000	-	-	-	50,000		50,000	
Hugh B Oldfield	50,000	-	-	(50,000)	-		-	
K J Holloway	50,000	-	-	-	50,000		50,000	
Ray J Titman	50,000	-	-	-	50,000		50,000	
K Andrew-Jones	17,500				17,500		17,500	
G Debono	20,000				20,000		20,000	
	487,500	-	-	(50,000)	437,500	-	437,500	-

* A rights issue occurred on [insert date] to all shareholders based on one share for every four held. This resulted in the grant of options to key management personnel at that date.

The net change other column above includes those options that have been forfeited by holders as well as options issued during the year under review.

(g) **Shareholdings**

Number of Shares held by Key Management Personnel

2006	Balance 1/7/05	Received as Compensation	Options Exercised	Net Change Other*	Balance 30/6/06
Key Management Personnel					
John R Westwood	1,516,279	-	-	795,139	2,311,418
Anthony Mankarios	671,574	-	-	128,323	799,897
Thomas D J Love	70,840	-	-	(69,040)	1,800
Christopher C Hext	33,172	-	-	766,828	800,000
Hugh B Oldfield	2,735,000	-	-	91,001	2,826,001
James W Toland	969,421	-	-	124,955	1,094,376
Kenneth E Holloway	5,740	-	-	4,497	10,237
Raymond J Titman	5,000	-	-	1,125	6,125
	6,007,026	-	-	1,842,828	7,849,854

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

Note 7 Auditors' Remuneration

	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	45,000	58,600	-	-
— taxation services	11,250	-	-	-
— other services	29,250	38,522	-	-
— taxation services provided by related practice of auditor	-	-	-	-
Remuneration of other auditors of subsidiaries for:				
— auditing or reviewing the financial report of subsidiaries	-	-	-	-

Note 8 Dividends

	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Distributions paid				
Interim unfranked ordinary dividend of 2.5 cents per share (2005: 2.0 cents per share	292,680	208,128	292,680	208,128
Final unfranked ordinary dividends 3.5 cents per share (2005: 3.0 cents per share)	409,751	307,106	409,751	307,106
	702,431	515,234	702,431	515,234

Note 9 Earnings per Share

	Economic Entity 2006 $	Economic Entity 2005 $
(a) Reconciliation of earnings to profit or loss		
Profit	1,320,455	1,183,748
Profit attributable to minority equity interest	(58,928)	5,468
Earnings used to calculate basic EPS	1,261,527	1,189,216
Earnings used in the calculation of dilutive EPS	1,261,527	1,189,216

	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	11,718,313	10,406,374
Weighted average number of options outstanding	437,500	487,500
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	12,155,813	10,893,874

Note 10 Cash and Cash Equivalents

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Cash at bank and in hand		809,412	309,539	24,955	28,120

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents		809,412	309,539	24,955	28,120
Bank overdrafts	22	(1,639,852)	(1,112,492)	-	-
		(830,440)	(802,953)	24,955	28,120

Note 11 Trade and Other Receivables

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
CURRENT					
Trade receivables		4,177,986	3,209,371	-	-
Provision for impairment of receivables		(75,837)	(94,814)	-	-
		4,102,149	3,114,557	-	-
Other receivables		11,825	285,767	-	-
Amounts receivable from:					
— wholly-owned subsidiaries		-	-	2,557,273	1,908,605
— associated companies		338,013	119,596	-	-
		4,451,987	3,519,920	2,557,273	1,908,605
NON CURRENT					
Amounts receivable from:					
— associated companies		1,090	1,140	-	-
		1,090	1,140	-	-

Note 12 Inventories

	Note	Economic Entity 2006 $	2005 $	Parent Entity 2006 $	2005 $
CURRENT					
At cost					
Raw materials and stores		1,064,834	720,928	-	-
Work in progress		710,364	744,492	-	-
Finished goods		2,649,614	3,144,523	-	-
Less Provisions		(95,903)	-		
		4,328,909	4,609,943	-	-

Note 13 Investments Accounted for Using the Equity Method

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
Associated companies	14(a)	1,135,022	1,236,540	-	-
Interests in joint venture entities	15(b)	312,388	146,643	-	-
		1,447,410	1,383,183	-	-

Note 14 Associated Companies

Interests are held in the following associated companies

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest 2006 %	Ownership Interest 2005 %	Carrying Amount of Investment 2006 $	Carrying Amount of Investment 2005 $
Unlisted:							
Tangshan Ace Oldfields F	Paint Brush Manufacturer	China	Ord	35			
PT Ace Oldfields	Paint Brush Manufacturer	Indonesia	Ord	49	49	1,123,709	1,230,644
Brisbane Garden Sheds F	Garden Shed Supplier	Australia	Ord	50	50	8,646	4,611
Adelaide Garden Sheds F	Garden Shed Supplier	Australia	Ord	50	50	2,667	1,285
Enduring Enterprise	Paint Brush Supplier	Singapore	Ord	49	49	312,388	146,643
						1,447,410	1,383,183

(a) **Movements during the Year in Equity Accounted Investments in Associated Companies**

	Note	Economic Entity 2006	Economic Entity 2005	Parent Entity 2006	Parent Entity 2005
Balance at beginning of the financial year		1,236,540	1,109,786	-	-
Add: New investments during the year		-	56	-	-
Share of associated company's profit after income tax	14(b)	89,642	9,943	-	-

Share of associated company's reserve increments arising during the year	-	116,755	-	-
Less: Others	(191,160)	-	-	-
Balance at end of the financial year	1,135,022	1,236,540	-	-

Note 15 Joint Venture

(a) **Interest in Joint Venture Operations**
A controlled entity, [insert company name], has a [insert percentage] interest in the [insert name] Joint Venture, whose principal activity is the exploration, mining and sale of copper ore

(b) **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
The voting power held by Oldfields International Pty Ltd is 49%

(i) Carrying amount of investment in joint venture entity:				
Balance at the beginning of the financial year	146,643	117,744	-	-
— share of joint venture's profit after income tax	244,587	266,306	-	-
— dividends received	(78,842)	(237,407)	-	-
Balance at the end of the financial year	312,388	146,643	-	-

Note 16 Other Financial Assets

	Note	Economic Entity		Parent Entity	
NON CURRENT					
Available-for-sale financial assets	16(a)	815,589	210,620	7,209,076	7,209,076
		815,589	210,620	7,209,076	7,209,076
(a) **Available-for-sale financial assets Comprise:**					
Unlisted investments, at cost					
— shares in controlled entities		-	-	7,209,076	7,209,076
— shares in associates		814,209	209,240	-	-
— shares in other corporation		1,380	1,380	-	-
		815,589	210,620	7,209,076	7,209,076
Unlisted investments, at recoverable amount					
— shares in other corporations at cost		-	-	-	-
Less: Impairment provision		-	-	-	-
		-	-	-	-
Total non-current available-for-sale financial assets		815,589	210,620	7,209,076	7,209,076

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Note 17 Controlled Entities

(a) **Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)* 2006	2005
Parent Entity:			
Oldfields Holdings Limited	Australia		
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 Access Pty Limited:			
Adelaide Scaffolding Solutions Pty Limited	Australia	75	75
Subsidiary of Oldfields Administration Pty Limited:			
National Office Service Trust	Australia		
Subsidiary of Oldfields International Pty Limited:			
Oldfields (NZ) Limited	New Zealand	100	100
Oldfields Paint Application (NZ) Limited	New Zealand	100	100
Oldfields USA Incorporated	United States of America	100	100
Subsidiary of Shed Holdings Pty Limited:			
Backyard Installations Pty Limited	Australia	100	100
Sheds Plus Pty Limited	Australia	100	100

* Percentage of voting power is in proportion to ownership

Note 18 Property, Plant and Equipment

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$	$	$	$
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	-	-
Less accumulated depreciation	(8,898)	(5,817)	-	-
Total Buildings	145,156	148,237	-	-
Total Land and Buildings	345,156	348,237	-	-
PLANT AND EQUIPMENT				
Plant and equipment:				
At cost	12,688,597	10,859,200	-	-
Accumulated amortisation	(3,622,413)	(3,192,918)	-	-
	9,066,184	7,666,282	-	-
Leasehold improvements				
At cost	232,696	23,037	-	-
Accumulated amortisation	(31,226)	(6,309)	-	-
Total Leasehold Improvements	201,470	16,728	-	-
Leased plant and equipment				
Capitalised leased assets	1,717,182	1,880,840	-	-
Accumulated depreciation	(631,764)	(592,014)	-	-
	1,085,418	1,288,826	-	-
Total plant and equipment	10,353,072	8,971,836	-	-
Total Property, Plant and Equipment	10,698,228	9,320,073	-	-

Note 19 Intangible Assets

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$	$	$	$
Software	241,711	86,128	-	-
(Accumulated amortisation)	(69,605)	(16,256)	-	-
	172,106	69,872	-	-
Goodwill				
Cost	952,228	929,475	-	-
Accumulated impairment losses	-	-	-	-
Net carrying value	952,228	929,475	-	-
Trademarks and licences				
Cost	204,891	8,049	-	-
Accumulated amortisation and impairment	(15,140)	-	-	-
Net carrying value	189,751	8,049	-	-
Total intangibles	1,314,085	1,007,396	-	-

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges in respect of intangible assets are included under depreciation and amortisation expense per the income statement. Goodwill has an infinite life.

Note 20 Other Current Assets

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	$	$	$	$
CURRENT				
Prepayments	1,029,892	719,247	-	-
	1,029,892	719,247	-	-

Note 21 Trade and Other Payables

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
CURRENT					
Unsecured liabilities					
Trade payables		2,861,707	1,794,859	-	-
Sundry payables and accrued expenses		1,593,416	1,576,684	23,987	28,943
Amounts payable to:					
— wholly-owned subsidiaries		-	-	914,293	839,228
— partly-owned subsidiaries		-	-	-	9,375
— other related parties		356,536	15,497	-	-
		4,811,659	3,387,040	938,280	877,546

Note 22 Borrowings

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
CURRENT					
Directors loans		-	577,312	-	-
Other		-	100	-	-
		-	577,412	-	-
Secured liabilities					
Bank overdrafts	22(a),(c)	1,639,852	1,112,492	-	-
Bank loans	22(a),(d)	708,834	552,100	-	-
Lease liability		134,319	218,979	-	-
Hire Purchase liability		456,300	254,181	-	-
		2,939,305	2,137,752	-	-
		2,939,305	2,715,164	-	-
NON-CURRENT					
Bank loans	22(a),(d)	3,551,163	2,998,200	-	-
Lease liability		7,728	135,443	-	-
Hire Purchase liability		627,502	375,445	-	-
		4,186,393	3,509,088	-	-
		4,186,393	3,509,088	-	-

	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
(a) Total current and non-current secured liabilities:				
Bank overdraft	1,639,852	1,112,492	-	-
Bank loan	4,259,997	3,550,300	-	-
	5,899,849	4,662,792	-	-

Note 23 Tax

	Note	Economic Entity 2006 $	Economic Entity 2005 $	Parent Entity 2006 $	Parent Entity 2005 $
(a) **Liabilities**					
CURRENT					
Income Tax		110,845	5,015	5,015	5,015
TOTAL		110,845	5,015	5,015	5,015
NON-CURRENT					
Deferred tax liability comprises:					
Other		94,873	94,873	94,873	94,873
Total		94,873	94,873	94,873	94,873
(b) **Assets**					
Deferred tax assets comprise:					
Other		1,197,767	1,515,291	1,176,457	1,475,066
		1,197,767	1,515,291	1,176,457	1,475,066

Note 24 Provisions

CURRENT	Economic Entity 2006	Economic Entity 2005	Parent Entity 2006	Parent Entity 2005
Employee Entitlements				
Opening balance at beginning of year	826,903	663,089	-	-
Additional provisions raised during year	421,369	495,355	-	-

Amounts used	(336,820)	(331,541)	-	-
Balance at end of the year	911,452	826,903	-	-

NON CURRENT	Economic Entity 2006 $	2005 $	Parent Entity 2006 $	2005 $
Employee Entitlements				
Opening balance at beginning of year	114,405	82,342	-	-
Additional provisions raised during year	76,153	47,728	-	-
Amounts used	(78,409)	(15,665)	-	-
Balance at end of the year	112,149	114,405	-	-

Analysis of Total Provisions	Economic Entity 2006 $	2005 $	Parent Entity 2006 $	2005 $
Current	911,452	826,903	-	-
Non-current	112,149	114,405	-	-
	1,023,601	941,308	-	-

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 25 Issued Capital

	Economic Entity 2006 $	2005 $	Parent Entity 2006 $	2005 $
11,718,313 (2005: 10,406,374) fully paid ordinary shares	9,714,143	8,725,550	9,714,143	8,725,550
	9,714,143	8,725,550	9,714,143	8,725,550

(a) **Ordinary Shares**		Economic Entity 2006 No.	2005 No.	Parent Entity 2006 No.	2005 No.
At the beginning of reporting period		10,406,374	10,236,882	10,406,374	10,236,882
Shares issued during year					
—	1-Feb-05	-	169,492	-	169,492
—	11-Jul-05	1,300,797	-	1,300,797	-
—	31-May-06	11,142	-	11,142	-
At reporting date		11,718,313	10,406,374	11,718,313	10,406,374

On 11 July 2005 the company issued 1,300,797 ordinary shares at 80 cents each to shareholders on the basis of 1 new share for every 8 shares held. The shares rank for dividends paid after August 2005

On 31 May 2006 the company issued 11,142 ordinary shares at $1.20 per share under the Dividend Re-Investment Plan.

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

Note 26 Capital and Leasing Commitments

	Note	Economic Entity 2006 $	2005 $	Parent Entity 2006 $	2005 $
(a) **Finance Lease Commitments**					
Payable — minimum lease payments					
— not later than 12 months		660,545	517,229	-	-
— between 12 months and 5 years		708,013	522,241	-	-
Minimum lease payments		1,368,558	1,039,470	-	-
Less future finance charges		(142,709)	(55,422)	-	-
Present value of minimum leave payments	22	1,225,849	984,048	-	-
(b) **Operating Lease Commitments**					
Non-cancellable operating leases contracted for but not capitalised in the financial statements					
Payable — minimum lease payments					
— not later than 12 months		400,600	400,600		
— between 12 months and 5 years		801,200	1,201,800		

1,201,800	1,602,400	-	-

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the lower of CPI or [insert percentage] per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years. The lease allows for subletting of all lease areas.

Note 27 Contingent Liabilities and Contingent Assets

There are no Contingent Liabilities at Balance Date