



# **Mayfield Group Investments Pty Ltd and controlled entities**

**ABN: 96 619 266 769**

**Consolidated Financial report**  
For the year ended 30 June 2019

*Pitcher Partners*  
100 Hutt Street  
Adelaide SA 5000

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**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**

**ABN: 96 619 266 769**

**DIRECTORS' REPORT**

The directors present their report together with the financial report of the Group, being the Mayfield Group Investments Pty Ltd ("the Company") and its controlled entities, for the year ended 30 June 2019 and auditor's report thereon. The financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*.

**Directors names**

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

L J Phillips

J Hobbs (Appointed 13 March 2019)

A B Steele (Appointed 15 March 2019)

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

**Results**

The profit of the Group for the year after providing for income tax and after non-controlling interests amounted to \$3,385,893 (2018: profit \$875,213).

**Review of operations**

The Group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Significant changes in state of affairs**

There were no significant changes in the Group's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

**Principal activities**

The principal activity of the Group during the year was:

- manufacturing of electrical control boards, switchboards and switchrooms;
- project management and construction of electrical infrastructure;
- inspection, installation and commissioning of electrical equipment;
- provision of electrical diagnostic, power quality, cable fault location products and services; and
- renewable sector/cable fault detection.

No significant change in the nature of these activities occurred during the year.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**

**ABN: 96 619 266 769**

**DIRECTORS' REPORT**

**After balance date events**

During July 2019, the Company has acquired all the remaining shares in Power Parameters Pty Ltd, which is now 100% owned.

There has been no other matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2019, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2019, of the Group.

**Likely developments**

The Group expects to maintain the present status and level of operations.

**Environmental regulation**

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Dividends paid, recommended and declared**

Dividends of \$550,000 were paid during the year ended 30 June 2019 by the Group to shareholders.

On 30 July 2019, the Company paid a further dividend of \$140,100.

No further recommendation for payment of dividends has been made.

**Options**

No options over unissued shares or interests in the Group were granted during or since the end of the year and there were no options outstanding at the end of the year.

**Indemnification of officers**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the Group.

**Indemnification of auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Group.

MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES  
ABN: 96 619 266 769

DIRECTORS' REPORT

**Auditor's independence declaration**

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

**Proceedings on behalf of the Group**

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

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

Director: \_\_\_\_\_

J Hobbs

Dated this

27<sup>th</sup> day of August

2019



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**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLING ENTITIES**

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of Mayfield Group Investments Pty Ltd and the entities it controlled during the year.

-----  
A P Faulkner  
Principal

-----  
PITCHER PARTNERS  
Adelaide

Date: 27 August 2019

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**

ABN: 96 619 266 769

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Revenue and other income</b>			
Revenue from contracts with customers	3	65,546,819	45,235,379
Other revenue	4	<u>672,692</u>	<u>811,525</u>
		<u>66,219,511</u>	<u>46,046,904</u>
<b>Less: expenses</b>			
Materials and consumables used		(33,544,692)	(27,495,448)
Employee benefits expense		(22,915,515)	(13,809,849)
Depreciation and amortisation expense	5	(914,566)	(618,891)
Occupancy expense		(994,846)	(772,894)
Advertising expense		(88,344)	(108,612)
Finance costs		(46,320)	(48,952)
Other expenses		<u>(2,727,378)</u>	<u>(2,436,080)</u>
		<u>(61,231,661)</u>	<u>(45,290,726)</u>
<b>Profit before income tax expense</b>		4,987,850	756,178
Income tax benefit	7	<u>(1,002,847)</u>	<u>93,909</u>
<b>Net profit from continuing operations</b>		<u>3,985,003</u>	<u>850,087</u>
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u>3,985,003</u>	<u>850,087</u>
<b>Profit is attributable to:</b>			
- Owners of Mayfield Group Investments Pty Ltd		3,385,893	875,213
- Non-controlling interests		<u>599,110</u>	<u>(25,126)</u>
		<u>3,985,003</u>	<u>850,087</u>
<b>Total comprehensive income is attributable to:</b>			
- Owners of Mayfield Group Investments Pty Ltd		3,385,893	875,213
- Non-controlling interests		<u>599,110</u>	<u>(25,126)</u>
		<u>3,985,003</u>	<u>850,087</u>

The accompanying notes form part of these financial statements.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**

**ABN: 96 619 266 769**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	<b>Note</b>	<b>2019 \$</b>	<b>2018 \$</b>
<b>Current assets</b>			
Cash and cash equivalents	8	6,234,155	9,500,254
Receivables	9	12,115,868	8,934,916
Inventories	10	1,421,580	1,548,206
Contract assets	13	2,027,215	2,359,503
Current tax assets		-	81,537
Other assets	14	<u>429,575</u>	<u>395,678</u>
<b>Total current assets</b>		<u>22,228,393</u>	<u>22,820,094</u>
<b>Non-current assets</b>			
Intangible assets	12	210,576	517,913
Deferred tax assets	7	1,154,065	900,683
Property, plant and equipment	11	4,196,501	4,969,374
Other assets	14	<u>216,567</u>	<u>216,567</u>
<b>Total non-current assets</b>		<u>5,777,709</u>	<u>6,604,537</u>
<b>Total assets</b>		<u>28,006,102</u>	<u>29,424,631</u>
<b>Current liabilities</b>			
Payables	15	6,462,402	5,982,979
Borrowings	16	532,219	443,996
Provisions	17	1,270,106	1,078,081
Current tax liabilities		433,542	-
Contract liabilities	18	<u>7,326,246</u>	<u>13,068,074</u>
<b>Total current liabilities</b>		<u>16,024,515</u>	<u>20,573,130</u>
<b>Non-current liabilities</b>			
Borrowings	16	142,744	102,177
Provisions	17	<u>337,411</u>	<u>351,612</u>
<b>Total non-current liabilities</b>		<u>480,155</u>	<u>453,789</u>
<b>Total liabilities</b>		<u>16,504,670</u>	<u>21,026,919</u>
<b>Net assets</b>		<u>11,501,432</u>	<u>8,397,712</u>

The accompanying notes form part of these financial statements.



**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Equity</b>			
Share capital	19	911,665	900,020
Reserves	20	460,000	460,000
Retained earnings	21	<u>9,444,868</u>	<u>6,416,475</u>
<b>Equity attributable to owners of Mayfield Group Investments Pty Ltd and controlled entities</b>		10,816,533	7,776,495
Non-controlling interests	22	<u>684,899</u>	<u>621,217</u>
<b>Total equity</b>		<u>11,501,432</u>	<u>8,397,712</u>

The accompanying notes form part of these financial statements.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Contributed equity \$	Reserves \$	Retained earnings \$	Non- controlling interests \$	Total equity \$
<b>Consolidated</b>					
Balance as at 1 July 2017	900,020	460,000	5,541,262	646,343	7,547,625
Profit/(loss) for the year	-	-	875,213	(25,126)	850,087
Total comprehensive income for the year	-	-	875,213	(25,126)	850,087
Balance as at 30 June 2018	<u>900,020</u>	<u>460,000</u>	<u>6,416,475</u>	<u>621,217</u>	<u>8,397,712</u>
Balance as at 1 July 2018	900,020	460,000	6,416,475	621,217	8,397,712
Profit for the year	-	-	3,385,893	599,110	3,985,003
Total comprehensive income for the year	-	-	3,385,893	599,110	3,985,003
Other adjustments	-	-	-	(342,928)	(342,928)
<b>Transactions with owners in their capacity as owners:</b>					
Paid contribution towards partly-paid shares	11,645	-	-	-	11,645
Dividends	-	-	(357,500)	(192,500)	(550,000)
<b>Total transactions with owners in their capacity as owners</b>	<u>11,645</u>	<u>-</u>	<u>(357,500)</u>	<u>(192,500)</u>	<u>(538,355)</u>
Balance as at 30 June 2019	<u>911,665</u>	<u>460,000</u>	<u>9,444,868</u>	<u>684,899</u>	<u>11,501,432</u>

The accompanying notes form part of these financial statements.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Cash flow from operating activities</b>			
Receipts from customers		63,905,549	58,147,283
Payments to suppliers and employees		(66,003,490)	(47,629,706)
Interest received		60,103	419
Finance costs		(46,320)	(48,952)
Income tax paid		<u>(744,977)</u>	<u>(269,237)</u>
<b>Net cash provided by / (used in) operating activities</b>		<u><b>(2,829,135)</b></u>	<u><b>10,199,807</b></u>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		435,418	-
Payment for property, plant and equipment		<u>(461,941)</u>	<u>(2,114,365)</u>
<b>Net cash used in investing activities</b>		<u><b>(26,523)</b></u>	<u><b>(2,114,365)</b></u>
<b>Cash flow from financing activities</b>			
Proceeds from share issue		11,635	-
Proceeds from borrowings		114,304	183,644
Repayment of finance leases		(66,719)	(66,914)
Dividends paid		<u>(550,000)</u>	<u>-</u>
<b>Net cash provided by / (used in) financing activities</b>		<u><b>(490,780)</b></u>	<u><b>116,730</b></u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		9,127,137	924,965
Net increase / (decrease) in cash held		<u><b>(3,346,438)</b></u>	<u><b>8,202,172</b></u>
<b>Cash at end of financial year</b>	24(a)	<u><b>5,780,699</b></u>	<u><b>9,127,137</b></u>

The accompanying notes form part of these financial statements.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Mayfield Group Investments Pty Ltd and its controlled entities. Mayfield Group Investments Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Mayfield Group Investments Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

Due to a legal restructure that occurred in 2019 financial year, all the subsidiaries previously owned by Mayfield Industries Pty Ltd have now been transferred to Mayfield Group Investments Pty Ltd (Note 23).

Mayfield Group Investments Pty Ltd is the holding company of the Group, and the operating entities as disclosed in Note 23 of this financial report have continued with their operations after the legal restructure.

The following are the significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

*Significant accounting estimates and judgements*

The preparation of the financial report requires the use of certain estimates and judgements in applying the Group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

**(b) Going concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Principles of consolidation**

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position respectively.

**(d) Revenue from contracts with customers**

The Group derives revenue from the manufacture of electrical switchboards and switch rooms.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Receivables from contracts with customers*

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

*Contract assets and contract liabilities*

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

*Warranty obligations*

The Group provides warranty for goods, as required by law. The Group does not provide customers with the option to purchase an additional or extended warranty. Warranty obligations are recognised as a provision and are measured at the Group's estimate of the expenditure required to fulfil its warranty obligations at the reporting date. The Group updates the measurement of the warranty provision at the end of each reporting period for changes in expectations.

**(ii) Sale of goods and provision of services**

Revenue is recognised when the goods or services are delivered and have been accepted by customers. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Invoices are usually payable within 30 days.

**(iii) Interest revenue**

Interest revenue is measured on an accrual basis taking into account the interest rates applicable to the financial assets.

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

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting policies applicable to comparative period (30 June 2018)**

**(i) Construction contracts**

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

All expected losses are recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

**(ii) Sale of goods and services**

Revenue from sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

**(e) Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

***Tax Consolidation***

Mayfield Group Investments Pty Ltd and its wholly owned subsidiaries have implemented the tax consolidation legislation on and have formed a tax-consolidated group on 1 July 2017. This means that:

- each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity.
- the parent entity assumes the current tax liability and any deferred tax assets relating to tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**(g) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

*Trade and other receivables*

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

**(h) Property, plant and equipment**

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

*Plant and equipment*

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

*Depreciation*

The depreciable amount of all plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

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



**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Property, plant and equipment (Continued)**

<b>Class of fixed asset</b>	<b>Useful lives</b>	<b>Depreciation basis</b>
Leasehold improvements at cost	5-10 years	Straight line
Plant and equipment at cost	5-10 years	Straight line
Plant and equipment at valuation	10 years	Straight line
Motor vehicles at cost	5-10 years	Straight line
Office equipment at cost	5-10 years	Straight line
Furniture, fixtures and fittings at cost	5-10 years	Straight line
Computer equipment at cost	2-4 years	Straight line

**(i) Intangible assets**

*Goodwill*

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Refer to Note (o) for a description of how goodwill arising from a business combination is initially measured.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

**(j) Impairment of non-financial assets**

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount such as property, plant and equipment, in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Accounting Standard. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**(l) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

*Finance leases*

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the Group's incremental borrowing rate. Interest expense on finance leases is included in finance costs in the statement of profit or loss and other comprehensive income. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period in accordance with the effective interest method.

*Operating leases*

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

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

**(m) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Employee benefits (Continued)**

*(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

**(n) Borrowing costs**

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(o) Business combinations**

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is measured at its acquisition date fair value.

Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in the profit or loss.

Acquisition related costs are expensed as incurred.

**(p) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 consolidated statement of financial position are shown inclusive of GST.

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

**(q) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(r) New and revised accounting standards effective at 30 June 2019**

The Group has applied all relevant new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2018, including AASB 9: *Financial Instruments* (AASB 9) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

AASB 9 replaces AASB 139: *Financial Instruments: Recognition and Measurement*. The key changes introduced by AASB 9 in relation to the accounting treatment for financial instruments include:

- simplifying the general classifications of financial assets into those measured at amortised cost and those measured at fair value;
- permitting entities to irrevocably elect, on initial recognition, for gains and losses on equity instruments not held for trading to be presented in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirement to separate and measure embedded derivatives at fair value, in relation to embedded derivatives associated with financial assets measured at amortised cost;
- requiring entities that elect to measure financial liabilities at fair value, to present the portion of the change in fair value arising from changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- Introducing a new 'expected credit loss' impairment model (replacing the 'incurred loss' impairment model of previous accounting standard).

In accordance with the transition requirements of AASB 9, the Group has elected to apply AASB 9 retrospectively to each prior reporting period presented in the financial statements, with the cumulative impact, if any, of initially applying the new standard recognised as at the beginning of the earliest prior period presented (i.e., as at 1 July 2017). The Group has also applied to consequential amendments to AASB 7: *Financial Instruments: Disclosure* to the disclosure of information about the Group's financial instruments for the current financial year, and the comparative reporting period.

The application of AASB 9 has not materially impacted the classification and measurement of the Group's financial assets and financial liabilities.

Further details of the Group's accounting policies in relation to accounting for financial instruments under AASB 9 are contained in Note 1(g).

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

AASB 15 provides (other than in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under the previous accounting standard, AASB 118 Revenue, revenue from the sale of goods was recognised when the significant risks and rewards of ownership of the goods transferred to the buyer, and revenue from the rendering of services was recognised by reference to the stage of completion of the transaction at the end of the reporting period.

In accordance with the transition requirements of AASB 15, the Group has elected to apply AASB 15 retrospectively to each prior reporting period presented in the financial statements, with the cumulative impact, if any, of initially applying the new standard recognised as at the beginning of the earliest prior period presented (i.e., as at 1 July 2017).

The application of AASB 15 has not materially impacted the recognition and measurement of the Group's revenue from contracts with customers.

Further details of the Group's accounting policies in relation to accounting for revenue from contracts with customers under AASB 15 are contained in Note 1(d).

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

**(a) Revenue from contracts with customers**

The Group often enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Applying the over time method requires the Group to estimate the proportional sales and costs. To ensure the stage of completion, generally the cost-to-cost method is applied. If circumstances arise that may change the original estimates of sales, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated sales or costs and are reflected in profit or loss in the period in which the circumstances that give risk to the revision become known by management.

**(b) Trade debtors**

Provision for credit losses is based on management's estimate and historical data.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Revenue from contracts with customers		
Sales recognised over a period of time	59,929,686	39,853,596
Sales recognised at a point in time	<u>5,617,133</u>	<u>5,381,783</u>
	<u>65,546,819</u>	<u>45,235,379</u>
<b>NOTE 4: OTHER REVENUE</b>		
Interest income	60,103	419
Sundry income	<u>612,589</u>	<u>811,106</u>
	<u>672,692</u>	<u>811,525</u>
<b>NOTE 5: OPERATING PROFIT</b>		
Profit before income tax has been determined after:		
Depreciation expense	904,566	613,967
Amortisation expense	<u>10,000</u>	<u>4,924</u>
	<u>914,566</u>	<u>618,891</u>
Bad and doubtful debts (net of write-back)	(14,558)	490,136
Loss on disposal of property, plant and equipment	41,683	641

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Total compensation received by key management personnel	<u>463,179</u>	<u>796,472</u>

The names of directors who have held office during the year are:

<b>Name</b>	<b>Appointment details</b>
L J Phillips	
J Hobbs	(Appointed 13 March 2019)
A B Steele	(Appointed 15 March 2019)

The key management personnel during the year are:

<b>Name</b>	<b>Position</b>	<b>Date</b>	<b>2019</b>	<b>2018</b>
J Hobbs	Group Chief Executive Officer	Appointed 14 January 2019	√	–
A Steele	Group Chief Executive Officer	Resigned 28 February 2019	√	√
C Ware *	General Manager - Mayfield Industries Pty Ltd		–	√

\* C Ware has not been included in the key management personnel disclosure for 2019 financial year due to the restructuring of the Group.



**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 7: INCOME TAX</b>		
<b>(a) Components of tax expense</b>		
Current tax	1,256,229	263,879
Deferred tax	<u>(253,382)</u>	<u>(357,788)</u>
	<u>1,002,847</u>	<u>(93,909)</u>
<b>(b) Deferred tax</b>		
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
The balance comprises:		
Tax losses carried forward	523,601	-
Employee benefits	477,615	419,166
Provisions	20,108	7,455
Trade receivables	141,542	171,601
Inventories	6,567	15,078
Investments	-	131,174
Plant and equipment	67,238	7,971
Accrued expenses	<u>42,013</u>	<u>148,238</u>
	<u>1,278,684</u>	<u>900,683</u>
<i>Deferred tax liabilities</i>		
The balance comprises:		
Plant and equipment	124,200	-
Provision	<u>419</u>	<u>-</u>
	<u>124,619</u>	<u>-</u>
Net deferred tax assets	<u>1,154,065</u>	<u>900,683</u>
<b>(c) Deferred income tax benefit included in income tax expense comprises</b>		
Increase in deferred tax assets	(378,001)	(27,181)
(Decrease) / increase in deferred tax liabilities	<u>124,619</u>	<u>(330,607)</u>
	<u>(253,382)</u>	<u>(357,788)</u>

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 8: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	2,000	3,080
Cash at bank	4,643,835	9,497,174
Cash on deposit	<u>1,588,320</u>	<u>-</u>
	<u><b>6,234,155</b></u>	<u><b>9,500,254</b></u>

**NOTE 9: RECEIVABLES**

<b>CURRENT</b>		
Receivables from contracts with customers	12,049,855	9,444,074
Allowance for credit losses	<u>(471,807)</u>	<u>(531,070)</u>
	11,578,048	8,913,004
Other receivables	<u>537,820</u>	<u>21,912</u>
	<u><b>12,115,868</b></u>	<u><b>8,934,916</b></u>

**NOTE 10: INVENTORIES**

<b>CURRENT</b>		
<i>At cost</i>		
Raw materials	1,173,779	1,187,969
Stores	269,692	382,128
Provisions for obsolescence	<u>(21,891)</u>	<u>(21,891)</u>
	<u><b>1,421,580</b></u>	<u><b>1,548,206</b></u>

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Leasehold improvements</b>		
At cost	1,742,644	2,088,612
Accumulated depreciation	<u>(694,296)</u>	<u>(544,651)</u>
	<u>1,048,348</u>	<u>1,543,961</u>
<b>Plant and equipment</b>		
Plant and equipment at cost	3,044,932	2,863,978
Accumulated depreciation	<u>(1,339,479)</u>	<u>(1,037,011)</u>
	1,705,453	1,826,967
Plant and equipment at valuation	460,000	460,000
Accumulated depreciation	<u>(46,000)</u>	<u>-</u>
	414,000	460,000
Motor vehicles at cost	858,566	806,575
Accumulated depreciation	<u>(373,407)</u>	<u>(305,894)</u>
	485,159	500,681
Office equipment at cost	159,920	152,675
Accumulated depreciation	<u>(70,557)</u>	<u>(78,125)</u>
	89,363	74,550
Furniture, fixtures and fittings at cost	36,908	32,720
Accumulated depreciation	<u>(24,769)</u>	<u>(22,810)</u>
	12,139	9,910
Computer equipment at cost	917,822	780,592
Accumulated depreciation	<u>(550,078)</u>	<u>(444,699)</u>
	367,744	335,893
Assets in Progress	<u>74,295</u>	<u>217,412</u>
Total plant and equipment	<u>3,148,153</u>	<u>3,425,413</u>
Total property, plant and equipment	<u>4,196,501</u>	<u>4,969,374</u>

**(a) Property, plant and equipment pledged as security**

Bendigo and Adelaide Bank ACN 068 049 178 holds a General Security Deed over all property of Mayfield Industries Pty Ltd in relation to a bank guarantee facility - refer Note 26.

**NOTE 12: INTANGIBLE ASSETS**

Goodwill at cost	<u>210,576</u>	<u>517,913</u>
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**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 13: CONTRACT ASSETS</b>		
CURRENT		
Contract assets	<u>2,027,215</u>	<u>2,359,503</u>
<b>NOTE 14: OTHER ASSETS</b>		
CURRENT		
Prepayments	429,575	388,827
Other current assets	<u>-</u>	<u>6,851</u>
	<u>429,575</u>	<u>395,678</u>
NON CURRENT		
Other non-current assets - rental deposits	<u>216,567</u>	<u>216,567</u>
<b>NOTE 15: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	3,308,036	3,344,460
Sundry creditors and accruals	<u>3,154,366</u>	<u>2,638,519</u>
	<u>6,462,402</u>	<u>5,982,979</u>
<b>NOTE 16: BORROWINGS</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Bank overdraft	<u>453,456</u>	<u>373,117</u>
<i>Secured liabilities</i>		
Finance lease liability	<u>78,763</u>	<u>70,879</u>
	<u>532,219</u>	<u>443,996</u>
NON CURRENT		
<i>Secured liabilities</i>		
Finance lease liability	<u>142,744</u>	<u>102,177</u>

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

		2019 \$	2018 \$
<b>NOTE 17: PROVISIONS</b>			
<b>CURRENT</b>			
Employee benefits	(a)	1,254,640	1,053,231
Warranties		15,466	15,578
Other		<u>-</u>	<u>9,272</u>
		<u>1,270,106</u>	<u>1,078,081</u>
<b>NON CURRENT</b>			
Employee benefits	(a)	<u>337,411</u>	<u>351,612</u>
(a) Aggregate employee benefits liability		1,592,051	1,404,843
<b>NOTE 18: CONTRACT LIABILITIES</b>			
<b>CURRENT</b>			
Contract liabilities		<u>7,326,246</u>	<u>13,068,074</u>
<b>NOTE 19: SHARE CAPITAL</b>			
Issued and paid-up capital			
10,600 (2018: 10,000) Ordinary shares - fully paid		900,000	900,000
600 (2018: 200) Ordinary shares - partly paid		<u>11,665</u>	<u>20</u>
11,200 (2018: 10,200) Ordinary shares		<u>911,665</u>	<u>900,020</u>
<b>NOTE 20: RESERVES</b>			
Asset revaluation reserve		<u>460,000</u>	<u>460,000</u>
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.			
<b>NOTE 21: RETAINED EARNINGS</b>			
Retained earnings at beginning of year		6,416,475	5,541,262
Net profit		3,385,893	875,213
Dividends paid		<u>(357,500)</u>	<u>-</u>
		<u>9,444,868</u>	<u>6,416,475</u>

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

		2019	2018
		\$	\$
<b>NOTE 22: NON-CONTROLLING INTERESTS</b>			
Retained Earnings	22(a)	<u>684,899</u>	<u>621,217</u>
		<u>684,899</u>	<u>621,217</u>

**(a) Retained earnings**

*Movements in non-controlling interests retained earnings*

Opening balance	621,217	646,343
Share of profit/ (loss)	599,110	(25,126)
Share of dividends	(192,500)	-
Other adjustments relating to step acquisitions	<u>(342,928)</u>	<u>-</u>
Closing balance	<u>684,899</u>	<u>621,217</u>

**NOTE 23: INTERESTS IN CONTROLLED ENTITIES**

*(a) Controlled entities*

The following are the Group's controlled entities.

Subsidiaries of Mayfield Group Investments Pty Ltd and controlled entities:	Country of incorporation	Ownership interest held by the Group	
		2019	2018
		%	%
Mayfield Industries Pty Ltd	Australia	100	100
Mayfield IP Pty Ltd*	Australia	-	100
Power Parameters Pty Ltd†***	Australia	72.5	72.5
S.T.E. Solutions Pty Ltd†	Australia	100	60
Walker Control Pty Ltd†	Australia	65	65
Premier Equipment Hire Pty Ltd†**	Australia	100	100
Mayfield Engineering Pty Ltd†*	Australia	-	100
Mayfield Group Holdings Pty Ltd**	Australia	100	100
Mayfield EM Investments Pty Ltd†*	Australia	100	100

† Controlled entities of Mayfield Industries Pty Ltd in 2018 financial year. These entities were transferred to Mayfield Group Investments Pty Ltd during the 2019 financial year.

\* Dormant controlled entity deregistered during the financial year ended 30 June 2019.

\*\* Controlled entity of Mayfield Group Investments Pty Ltd applied for voluntary deregistration before 30 June 2019. Australian Securities and Investment Commission (ASIC) is yet to complete the process.

\*\*\* On 26 July 2019, Power Parameters Pty Ltd became a wholly owned subsidiary of Mayfield Group Investments Pty Ltd.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 24: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position is as follows:		
Cash on hand	2,000	3,080
Cash at bank	4,643,835	9,497,174
At call deposits with financial institutions	1,588,320	-
Bank overdrafts	<u>(453,456)</u>	<u>(373,117)</u>
	<u>5,780,699</u>	<u>9,127,137</u>

**NOTE 25: CAPITAL AND LEASING COMMITMENTS**

**(a) Finance leasing commitments**

Payable		
- not later than one year	87,692	73,454
- later than one year and not later than five years	152,114	105,850
- later than five years	<u>-</u>	<u>-</u>
Minimum lease payments	239,806	179,304
Less future finance charges	<u>(18,299)</u>	<u>(6,248)</u>
Total finance lease liability	<u>221,507</u>	<u>173,056</u>
Represented by:		
Current liability	78,763	70,879
Non-current liability	<u>142,744</u>	<u>102,177</u>
	<u>221,507</u>	<u>173,056</u>

Finance lease commitments are for motor vehicle leases with varying maturity terms.

**(b) Operating lease commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not later than one year	937,953	509,066
- later than one year and not later than five years	2,837,427	2,083,005
- later than five years	<u>-</u>	<u>216,351</u>
	<u>3,775,380</u>	<u>2,808,422</u>

The operating lease commitments are for office premises with varying maturity terms.

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 26: CONTINGENT LIABILITIES**

The Group has given bank guarantees totalling \$3,823,571 as of 30 June 2019 (30 June 2018: \$2,767,379). These bank guarantees have varying expiry dates from July 2019 to April 2029. The Group has not had any claims against the bank guarantees given up to the signing date of this financial report.

A deed of cross-collateralisation is in place between Mayfield Industries Pty Ltd, S.T.E. Solutions Pty Ltd and Walker Control Pty Ltd.

**NOTE 27: EVENTS SUBSEQUENT TO REPORTING DATE**

During July 2019, the Company has acquired all the remaining shares in Power Parameters Pty Ltd, which is now 100% owned.

There has been no other matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2019, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2019, of the Group.



**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
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	2019	2018
	\$	\$
<b>NOTE 28: PARENT ENTITY DETAILS</b>		
Summarised presentation of the parent entity, Mayfield Group Investments Pty Ltd, financial statements:		
<b>(a) Summarised statement of financial position</b>		
<b>Assets</b>		
Current assets	10,640	-
Non-current assets	<u>4,856,350</u>	<u>900,020</u>
Total assets	<u>4,866,990</u>	<u>900,020</u>
<b>Liabilities</b>		
Current liabilities	1,941,786	-
Non-current liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>1,941,786</u>	<u>-</u>
Net assets	<u>2,925,204</u>	<u>900,020</u>
<b>Equity</b>		
Share capital	911,665	900,020
Retained earnings	<u>2,013,539</u>	<u>-</u>
Total equity	<u>2,925,204</u>	<u>900,020</u>
<b>(b) Summarised statement of profit or loss and other comprehensive income</b>		
Profit for the year	2,090,067	-
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>2,090,067</u>	<u>-</u>

**NOTE 29: ENTITY DETAILS**

The registered office of the Group is:

Mayfield Group Investments Pty Ltd and controlling entities  
3 Gidgie Street  
Edinburgh SA 5111

MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES  
ABN: 96 619 266 769

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. In the directors opinion, the financial statements and notes thereto, as set out on pages 5 - 31, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2019 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: \_\_\_\_\_



J Hobbs

Dated this

27<sup>th</sup> day of August

2019

Level 1, 100 Hutt Street  
Adelaide SA 5000

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PO Box 7006 Hutt Street  
Adelaide SA 5001

p. +61 8 8179 2800  
e. [reception@pitcher-sa.com.au](mailto:reception@pitcher-sa.com.au)

**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLING ENTITIES**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Mayfield Group Investments Pty Ltd and controlled entities "the Company" and its subsidiaries, "the Group", which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 96 619 266 769**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLING ENTITIES**

*Other Matter*

The directors are responsible for the other information. The other information comprises the information included in the Director's report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLED ENTITIES  
ABN: 96 619 266 769

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MAYFIELD GROUP INVESTMENTS PTY LTD AND CONTROLLING ENTITIES

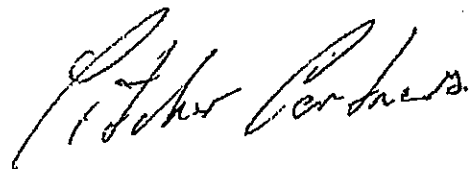
*Auditor's Responsibilities for the Audit of the Financial Report (continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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A P Faulkner  
Principal



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PITCHER PARTNERS  
Adelaide

Date: 27 August 2019