MAYFIELD GROUP HOLDINGS

Annual Report - 30 June 2022

Mayfield Group Holdings Ltd ABN 57 010 597 672

Dear Shareholder,

As the incoming Chairman of Mayfield Group Holdings Limited (the group), and on behalf of my fellow Directors, I am pleased to present the Mayfield Group Annual Report for 2022. I would like to acknowledge the efforts and contribution of outgoing Chairman Larry Case, who retired from the Board during the year.

The group reported a net loss after tax of $1.81m in what has proven to be a challenging year. The result was significantly impacted by the performance of Mayfield Services (formerly STE Solutions), and to a lesser extent Power Parameters, which offset the positive performance of the rest of the group. In particular, Mayfield Services was impacted by cost overruns on the Port Augusta Renewable Energy Park solar farm project. The broader group was also adversely impacted by a slower than expected gross margin recovery following what has proven to be a significant second wave of the Covid pandemic.

Whilst the immediate results are disappointing, during the year the Board and management have implemented strategies to enable us to maximise our unique and diverse offerings with our growing blue-chip client base. Some highlights during the reporting period have been:

- The acquisition of the remaining 60% of ATI Australia Pty Ltd (ATI), a wireless telecommunications solutions provider. This business has since merged operationally with our existing subsidiary, Power Parameters, to create a business of better scale and geographic reach.
- Significant growth and upcoming opportunities in Western Australia through our WA switchboard and switchroom manufacturing business strategically based in the Henderson Industrial precinct.
- The increase in revenue of 36% driven by a strong orderbook for Mayfield Industries and the full acquisition of ATI.
- The rebranding of STE Solutions to Mayfield Services and the distinct repositioning of this business to electrical infrastructure, switching and maintenance offerings; moving away from the inherent risks of lump sum field construction.

Ultimately the Board and management of the group expect these strategies to create a strong and resilient foundation for greater stability and certainty for shareholders through evolving economic conditions.

Finally, the Board and I would like to sincerely thank all our shareholders for their ongoing support and our people for the way they continue to apply exceptional effort and dedication. We are well positioned to take further significant steps forward over the next few years as we continue to deliver against our strategy in a disciplined and measured way.

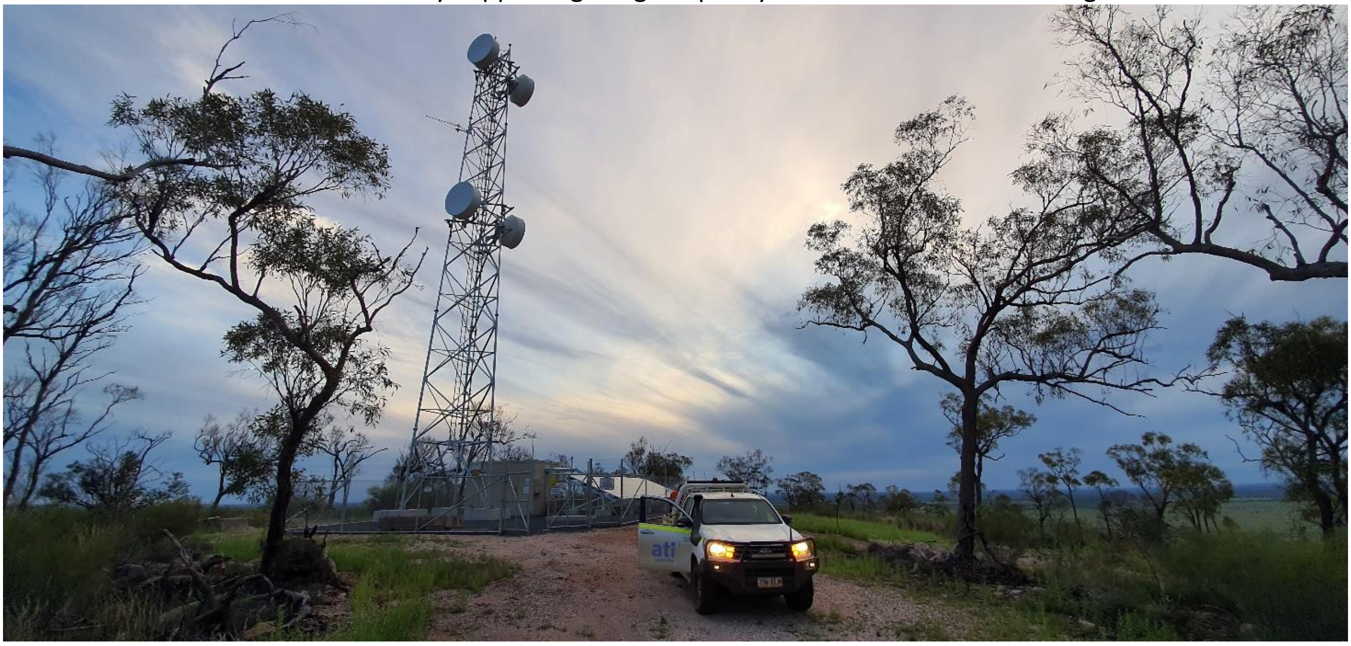
Simon Higgins (Chair)

Dated: 30 September 2022

MGH is a South Australian company passionate about providing electrical and telecommunications solutions to clients across our nation's infrastructure

A Mayfield Industries transportable custom switchroom for a Water Treatment Plant in NSW

An ATI telecommunication facility supporting a high-capacity wireless data service in regional Queensland



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Mayfield Group Holdings Ltd (referred to hereafter as the 'Company' or 'parent entity' or 'legal parent') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of Mayfield Group Holdings Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

SR Higgins - Non-executive Chairperson	Appointed 14 February 2022
LJ Phillips - Non-executive Director	
AB Steele - Non-executive Director	
JB Hobbs - Executive Director	
SM Chase AM - Non-executive Director	
LE Case - Non-executive Chairperson and Director	Resigned as Chairperson on 14 February 2022 and as Director on 25 February 2022

Principal activities

During the financial year the principal continuing activities of the Consolidated Entity consisted of:
- manufacturing of switchboards, transportable switchrooms and electrical protection panels;
- provision of telecommunications and power quality solutions and services;
- construction services for electrical infrastructure; and
- maintenance services of electrical infrastructure.

Significant changes in the state of affairs

On 15 November 2021, the Company acquired the remaining 60% of the ordinary shares of ATI Australia Pty Ltd (ATI) for the total consideration transferred of $2,089,818. ATI was acquired to increase the digitisation of electrical infrastructure capability, of which data communication is a vital component.

On 1 March 2022, the Company merged ATI Australia Pty Ltd (ATI) and Power Parameters Pty Ltd (PP) as a single operating entity. The objective is to create a larger, engineering-led business with improved customer solutions and geographic reach.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Review of operations

The loss for the Consolidated Entity after providing for income tax and non-controlling interest amounted to $1,810,487 (30 June 2021: profit of $2,580,881).

The performance of the electrical manufacturing and newly acquired telecommunications activities were in line with expectations. The consolidated loss was largely due to Mayfield Services Pty Ltd (formerly known as STE Solutions Pty Ltd) incurring a $3m loss for the year ending 30 June 2022. Mayfield Services Pty Ltd (MS) provides construction and maintenance services in the high-voltage facilities and infrastructure sector. MS's loss was the result of significant cost overruns on a major construction project and the flow-on effect on maintenance services revenues. The impact of COVID-19 cross-border restrictions between South Australia and Victoria also impacted maintenance services revenues.

Management and strategy changes have been made at MS. The business has expanded its maintenance services to include critical, low voltage infrastructure, and withdrawn from construction activities, except for installation opportunities firmly within MS's capability. The business has been renamed Mayfield Services Pty Ltd to build on the Mayfield brand and embed MS as the services provider for Mayfield Industries' products. Business development will initially focus on opportunities within South Australia and Victoria, but then expand to WA where Mayfield Industries has a manufacturing facility.

Despite the consolidated loss, Mayfield has generated positive operating cash flows driven largely by the timing of cash receipts and payments, and the adequate cash performance of subsidiaries. In addition, Mayfield acquired $3.2m of cash through the full acquisition of ATI Australia Pty Ltd (ATI), although partly utilised to repay ATI's borrowings of $1.4m.

Mayfield holds more inventory, intangibles (goodwill and capitalised product development costs), contract assets, right-of-use assets, and leased liabilities, all driven by the full acquisition of ATI.

Revenue and activity
Revenue was well up on the prior period driven by improved demand and the 8-months contribution from the acquired telecommunications business, ATI Australia Pty Ltd. However, revenue was still below expectations, driven by the impact of COVID-19 resulting in supply chain delays, accessibility of work-in-hand driven by restrictions on cross-border travel, closure of offices and staff illness. In addition, revenue was also adversely impacted by bad weather/flooding in NSW.

Electrical manufacturing benefitted from a strong work-in-hand throughout the year, although COVID-19 and supply chain delays resulted in client delays and congestion in production that hampered efficiency. Margins improved through the year as the mix of work won in 2022 increased, and the low margin impacted by COVID-19 reduced.

Production through the manufacturing workshop in Henderson WA continues to grow with strong work-in-hand reflecting continued demand. Further investments in capacity and efficiency are planned for 2023.

Electrical manufacturing successfully delivered the 17 switchrooms for the Sydney Metro City & Southwest Line-Wide project, with only minor site works remaining at year-end. Delivery also commenced on the first of 8 switchrooms for the Lynas Rare Earth processing plant project in Kalgoorlie WA. The manufacturing business retained a strong orderbook throughout the year and has taken this into 2023. In June 2022, Mayfield Industries was awarded 10 switchrooms for the Kurri Kurri Gas-fired Power Station in NSW.

Mayfield Services Port Augusta Renewable Energy Park (PAREP) substation installation project in SA was successfully delivered. However, the separate 80-megawatt solar farm electrical construction contract incurred severe client delays and other contractual difficulties that resulted in significant cost overruns. MS has now exited construction works activities to concentrate on maintenance and asset installation services.

COVID-19 impacted Mayfield Services Pty Ltd (MS) Electrical maintenance services in H1, but the Ballarat facility was able to reopen in December. Cross-border travel restrictions between VIC and SA were also lifted at the end of H1, allowing maintenance crews to move more freely. Re-building the maintenance orderbook is taking longer than expected, although, in H2, a 3-year panel maintenance contract was won with a major renewable operator in Victoria.

Health, Safety & Environment
The Consolidated Entity had a recordable injury frequency rate of 7.72 and retained all external ISO 45001 occupational health and safety certifications. Strict adherence with government COVID-19 restrictions resulted in no workshop closures in 2022.

No environmental incidents were recorded and all ISO 14001 environmental certificates were retained.

Strategy
The Consolidated Entity implemented all planned key strategies for 2022.

Telecommunications - The acquisition of the remaining 60% of ATI Australia Pty Ltd (ATI) was completed in November and the operational merger with Power Parameters Pty Ltd was completed operationally in March.

Electrical infrastructure manufacture - At Mayfield Industries Pty Ltd the mechanised washing plant is in commissioning and the transition to 3D design occurs incrementally as each new project starts.

The Consolidated Entity remains committed to Australian manufacturing and the provision of products and services for critical electrical and telecommunications infrastructure. The key strategies for 2023 are:

- Refocus MS on switching and maintenance services for high, medium and low voltage, critical electrical infrastructure.
- Rebrand the business as Mayfield Services to take advantage of the Mayfield brand and the maintenance market for Mayfield Industries' products.
- Grow the capacity of the Mayfield Industries WA facility through continued investment in people and equipment.
- Continue to develop manufacturing excellence through improved capacity planning and investment in copper busbar processing.
- Leverage the geographic reach of the merged ATI business as a telecommunications and power quality solutions provided by growing power quality and telecommunications services in Victoria.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

There is a sustained increased challenge in attracting and retaining suitably skilled employees in a highly competitive environment to support revenue and margin growth where management is actively establishing local manufacturing capability to diminish supply-chain risks. The Consolidated Entity is actively looking to increase its apprentice participation rates and supplement its recruitment where appropriate from overseas sources.

Digital technology is likely to increase the use of remote, online, condition monitoring maintenance practices. Management plans to proactively embrace this trend by increasing its investment in research and development of synergies between its existing battery system and engineering solutions to broaden its product offering, for example, remote monitoring and its battery management systems, switchboards and switchrooms design and manufacturing capability. In addition, it is also to improve manufacturing efficiencies in South Australian and Western Australia facilities.

Cybercrime is an ongoing and evolving risk and management has invested in in-house IT competencies and IT policy development to mitigate it. Management plans to expand the use of eCommerce in ATI and will take further steps to ensure that IT systems are adequately protected and tested to ensure information and IT asset security.

Demand for the Consolidated Entity's products is strengthening and contract margins are strong. With the exit from construction work, the priority is to build an orderbook in electrical maintenance services and, with this, management is confident the prospects of the Consolidated Entity will continue to improve in the foreseeable future.

Information on directors

Name:	SR Higgins
Title:	Non-executive Chairperson
Experience and expertise:	Simon is an experienced executive in the mining, industrial and energy markets with expertise in large-scale remote construction projects. Simon was the CEO and Managing Director of multi-discipline contractor ECM until it was acquired by GenusPlus Group (ASX: GNP) in 2019. He later served as an executive for GNP until 2021. He was the past Chairman of the National Electrical and Communications Association (NECA) WA Chapter. Simon has served as non-executive Chairman of Renewable Energy focussed Volt Power Group (ASX: VPR) until 2022 and remains on the VPR board as Non-Executive Director.
Other current directorships:	Non-executive Director Volt Power Group (ASX: VPR)
Former directorships (last 3 years):	Not applicable
Interests in shares:	Nil

Name:	LJ Phillips
Title:	Non-executive Director
Qualifications:	Bachelor of Commerce and is a Member of the Institute of Chartered Accountants in Australia and New Zealand
Experience and expertise:	Lindsay is an experienced private equity investor. His experience includes seven years (1980-87) with Price Waterhouse and over 35 years in investment banking/ private equity commencing in 1987 with M.J.H. Nightingale & Co. Limited in the UK/USA/Europe and then Australia from 1995, including five years (2007-12) as Managing Director of Lazard Australia Private Equity. He is also the Chairman of two private equity investment companies (Nightingale Partners Pty Ltd and Phoenix Development Fund Ltd) and serves as a director on the Boards of a majority of their investee companies.
Other current directorships:	Lindsay is a director of Control Bionics Ltd (ASX:CBL), and Enprise Group Ltd (ASX:ENS).
Former directorships (last 3 years):	Not applicable
Interests in shares:	695,883 via Ironwood Investments Pty Ltd; 762,011 via Phoenix Development Fund Ltd; and 40,050,597 via Nightingale Partners Pty Ltd.

Name:	AB Steele
Title:	Non-executive Director
Qualifications:	Higher National Certificate in Electrical Engineering
Experience and expertise:	Alan is a strategic and innovative thinker with broad based experience in project and operational management, finance and business growth. Alan was part of the management buy-out of Mayfield in 2012 and served as CEO until 2019. Drawing on his extensive experience in project and operational management, including 8 years of executive management with Schneider Electric in Australia, Alan excels in setting clear objectives and a vision for the businesses to enable clear market differentiation and market leading performance.
Other current directorships:	Not applicable
Former directorships (last 3 years):	Not applicable
Interests in shares:	14,987,275 ordinary shares

Name:	JB Hobbs
Title:	Executive Director
Qualifications:	Bachelor of Science in Mechanical Engineering and a Master's in Business Administration
Experience and expertise:	Jon has 39 years of experience in international manufacturing including as Group CEO of Mayfield since January 2019. His roles include Director & President of Moly-Cop AltaSteel Ltd, Canada (2014 - 2018) and various general management positions with OneSteel/Arrium Ltd, Australia (2005 - 2014) and Siam Strip Mill Plc, Thailand. He is an inclusive, collaborative leader who believes that safety, customer partnerships, organisational excellence and strong governance are key to sustainable growth.
Other current directorships:	Not applicable
Former directorships (last 3 years):	Not applicable
Interests in shares:	935,948 ordinary shares
Interests in options:	1,268,905 options over ordinary shares

Name:	SM Chase AM
Title:	Non-executive Director
Experience and expertise:	Sue has 41 years of experience, as an employee, then Managing Director and major shareholder of Cowell Electric Supply, principally in the electricity generation, distribution and retailing of electricity in regional and remote areas of Australia, construction of transmission and distribution systems throughout Australia, electrical and general contracting to the mining industry.
Other current directorships:	Not applicable
Former directorships (last 3 years):	Not applicable
Interests in shares:	None

Name:	LE Case
Title:	Non-executive Chairperson - Resigned as Chairperson on 14 February 2022 and as Director on 25 February 2022
Qualifications:	Master of Business Administration (University of Pennsylvania) and Bachelor of Science (University of Illinois)
Experience and expertise:	LE Case has 42 years experience in the management of small listed and unlisted companies
Other current directorships:	Not applicable
Former directorships (last 3 years):	Not applicable
Interests in shares:	389,048 ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries
Mr B Crowley is a practising solicitor and a former Partner of Ernst & Young in Hong Kong and Australia, and of KPMG in Hong Kong. He is a former Senior Legal Member of the NSW Guardianship Tribunal and the NSW Civil and Administrative Tribunal. Brett has extensive ASX-listed company experience. He is currently chairman of Jatcorp Limited (ASX:JAT) and company secretary of three other ASX-listed companies. He holds a Bachelor of Commerce degree and a Diploma in Law.

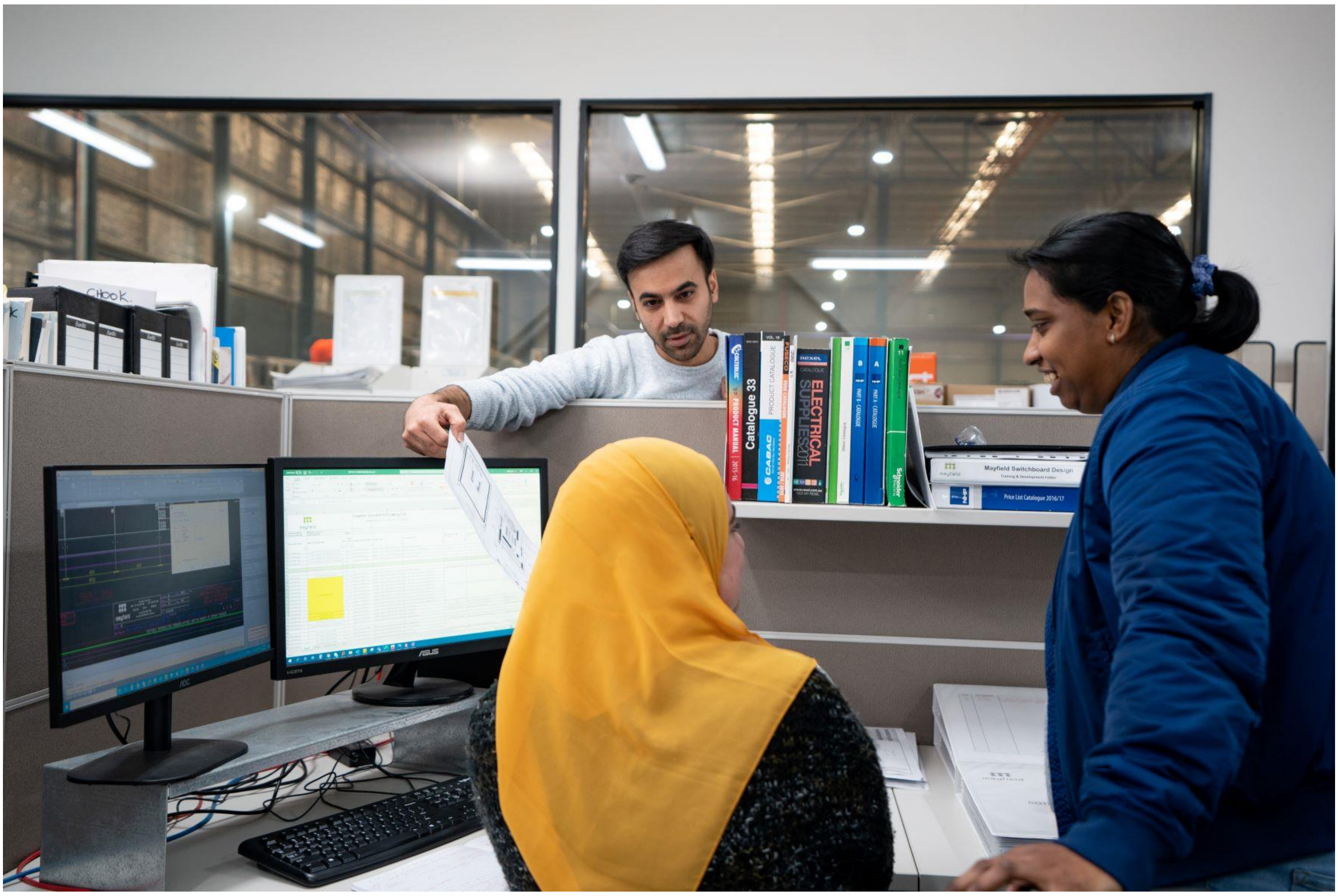
Mr C Boshoff has over 25 years of international financial management experience, covering financial services, manufacturing, mining and infrastructure. He holds a Bachelor of Commerce (Honours) and is a member of the Chartered Accountants Australia & New Zealand (CAANZ)

Meetings of directors

The full Board assumes the role of the Nomination and Remuneration Committee, and the Audit and Risk Committee. The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board Attended	Full Board Held
SR Higgins	5	5
LJ Phillips	11	12
AB Steele	12	12
JB Hobbs	12	12
SM Chase AM	12	12
LE Case	8	8

Held: represents the number of meetings held during the time the director held office.



Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high-performance and high-quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework seeks to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairperson's fees are determined independently of the fees of other non-executive directors based on comparative roles in the external market. The chairperson is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 18 January 2007, where the shareholders approved a maximum annual aggregate remuneration of $300,000.

Executive remuneration

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

Remuneration report (audited) – continued

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- long-term performance incentives
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the Company with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profitability, safety and quality performance and personal performance goals. A Leadership Team Bonus Pool is established based on 4% of the Consolidated Entity's annual Profit Before Tax, but as the Consolidated Entity made a loss in the current year, no STI bonuses have been paid. Also, refer to the Service Agreements for key management personnel within this report.

The long-term incentives ('LTI') include long service leave and share-based payments. The Company has approved an Employee Share Option Plan (ESOP) to attract, motivate and retain eligible employees. These granting of options are at the discretion of the Board of Directors. Refer to note 41 for options issued to employees under the ESOP for the current financial year. There are no other long-term incentive measures in place for executives.

Consolidated Entity performance and link to remuneration
The remuneration of the Executive Director is directly linked to the performance of the Consolidated Entity. A cash bonus (inclusive of superannuation) depends on the net profit before tax target being exceeded. Refer to the section 'Additional information' below for details of the earnings and total shareholders returns.

The Nomination and Remuneration Committee believes that, despite the consolidated loss, the performance-based compensation is appropriate to increase shareholder wealth over the coming years.

Details of remuneration
Amounts of remuneration
Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following directors of Mayfield Group Holdings Ltd:
- SR Higgins - Non-Executive Chairperson (appointed 14 February 2022)
- LJ Phillips - Non-executive Director
- AB Steele - Non-executive Director
- SM Chase AM - Non-executive Director
- JB Hobbs - Executive Director
- CR Bernecker (resigned 18 November 2020)
- DA Barrins (resigned 18 November 2020)
- LE Case (resigned 25 February 2022)

Remuneration report (audited) – continued

Table 1

30 June 2022	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Other Payments $	Total $
Non-Executive Directors:								
SR Higgins	18,899	-	-	-	-	-	-	18,899
LJ Phillips	30,000	-	-	-	-	-	-	30,000
AB Steele	30,458	-	-	-	-	-	-	30,458
SM Chase AM	30,000	-	-	-	-	-	-	30,000
LE Case	31,994	-	-	-	-	-	-	31,994
Executive Directors:								
JB Hobbs	381,947	-	-	40,104	2,758	-	-	424,809
	523,298	-	-	40,104	2,758	-	-	566,160

On 22 June 2020, Mayfield Group Holdings Ltd (formerly known as Stream Group Limited) (the Company) announced that they had entered into a Share Purchase Agreement for the acquisition of Mayfield Group Investments Pty Ltd (referred to hereafter as 'Mayfield'). On 20 November 2020, the transaction was completed whereby the Company acquired 100% of Mayfield by purchasing all the shares from the shareholders of Mayfield, in exchange for the issue of shares in the Company.

This financial report represents a continuation of Mayfield, which was treated as the acquirer of Mayfield Group Holdings Limited for accounting purposes (**accounting acquirer**) and the Company as the (**legal parent**). The comparative information included in this remuneration report includes the key management personnel of Mayfield Group Holdings Ltd (**legal parent**) from 1 July 2020 to 30 June 2021, as required by the Corporations Act 2001 and its Regulations.

Table 2

30 June 2021	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave (restated) $	Share-based payments**: Equity-settled $	Other Payments (restated) $	Total (restated) $
Non-Executive Directors:								
LE Case	50,000	-	-	-	-	-	-	50,000
LJ Phillips	30,749	-	-	-	-	-	-	30,749
AB Steele (a)	14,583	-	-	-	-	-	-	14,583
SM Chase AM	10,417	-	-	-	-	-	-	10,417
CR Bernecker	7,860	-	-	-	-	-	-	7,860
DA Barrins	9,375	-	-	-	-	-	-	9,375
Executive Directors:								
JB Hobbs** (b)	216,851	-	-	21,685	1,835	2,389	-	242,760
	339,835	-	-	21,685	1,835	2,389	-	365,744

Remuneration report (audited) – continued

* A modification to share-based payment resulted in an incremental fair value benefit to the Executive Director. The Company issued 538,056 ordinary shares for the paid-up portions, and 1,268,905 options over ordinary shares for the unpaid portions, of the partly paid shares held by Mayfield employees upon acquisition.

The options have an exercise price of $0.36124 and expire in five years from the issue date, or upon the employee's termination. The options can be exercised immediately. This change is considered a continuation of the share-based payment for the partly-paid shares issued to Mayfield employees and resulted in an incremental fair value adjustment of $2,389 at the acquisition date.

** JB Hobbs forfeited $18,797 of his base salary and $1,572 in superannuation while the Consolidated Entity was receiving COVID-19 Jobkeeper subsidies.

(a) AB Steele received $54,140 for shares in relation to the reverse acquisition Share Purchase Deed which required the Qusol business to be sold by 28 November 2020 (refer to note 33), which was included in the previously reported remuneration. This was received as a shareholder and does not constitute remuneration. As a result, the prior year's comparative value of other payments for AB Steele has been restated in Table 2. The previously reported total remuneration for AB Steele of $68,723 has been reduced by $54,140.

(b) JB Hobbs received $3,381 for shares in relation to the reverse acquisition Share Purchase Deed which required the Qusol business to be sold by 28 November 2020 (refer to note 33), which was included in the previously reported remuneration. This was received as a shareholder and does not constitute remuneration. In addition, JB Hobbs has accrued long service leave of $1,835 for the year ended 30 June 2021, which was excluded in the previously reported remuneration. As a result, the prior year comparative value of other payments and long-term benefits for JB Hobbs has been restated in Table 2. The previously reported total remuneration for JB Hobbs of $244,306 has been reduced by $1,546.

Details of remuneration of key management personnel of Mayfield (**accounting parent**) are included in note 28 of the financial statements.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		**At risk - STI**		**At risk - LTI**	
Name	**30 June 2022**	**30 June 2021**	**30 June 2022**	**30 June 2021**	**30 June 2022**	**30 June 2021**
Executive Directors:						
JB Hobbs	100%	100%	-	-	-	-

The proportion of the STI as a cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		**Cash bonus forfeited**	
Name	**30 June 2022**	**30 June 2021**	**30 June 2022**	**30 June 2021**
Executive Directors:				
JB Hobbs	-	-	100%	100%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	JB Hobbs
Title:	Executive Director
Agreement commenced:	11 February 2019
Term of agreement:	Indefinite or 4-month termination notice by either party
Details:	Base salary as at 30 June 2022 of $365,032, plus an $18,360 car allowance, plus 10.5% superannuation (or minimum required), to be reviewed annually by the Nomination and Remuneration Committee. An STI cash bonus (inclusive of all superannuation) representing a 30% share of a Leadership Team Bonus Pool. The Leadership Team Bonus Pool will represent 4% of the Consolidated Entity's annual Profit Before Tax.

Remuneration report (audited) – continued

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
JB Hobbs	1,268,905	23/11/2020	23/11/2020	23/11/2025	$0.36124	$0.1834

The valuation model inputs used to determine the fair value used a $0.36 share price at the grant date, expected volatility of 79%, a dividend yield of 2.7%, and a risk-free rate of 0.3%. Options granted carry no dividend or voting rights.

Additional information
The Company's, Executive Director's service agreement includes an STI target linked to Consolidated Entity's earnings. Before the acquisition of Mayfield, key management personnel did not have STI measures or targets linked to the earnings performance of the Consolidated Entity. The table below reflects the consolidated earnings of Mayfield (the accounting parent).

The Consolidated Entity's listed for the first time during 30 June 2021. Consequently, the table below includes the following information:
- 2022 to 2021 - Consolidated Entity
- 2020 to 2018 - Mayfield Group Investments Pty Ltd and its controlled entities (the accounting acquirer)

	2022 $	2021 $ Restated*	2020 $	2019 $	2018 $
Sales revenue	83,038,202	60,785,046	60,334,036	65,546,819	45,235,379
Profit/(loss) before tax	(1,889,494)	3,151,861	4,160,673	4,987,850	756,178

The table below summarises the factors that are considered to affect total shareholders return ('TSR') from 30 June 2021 only, as Mayfield was an unlisted private company prior to the reverse acquisition on 20 November 2020.

	2022	2021 Restated*
Share price at financial year end ($)	0.36	0.44
Basic earnings per share (cents per share)	(1.48)	3.28
Diluted earnings per share (cents per share)	(1.48)	3.24

* Refer to note 3 for detailed information on the Restatement of comparatives.

Remuneration report (audited) – continued

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
LE Case	389,048	-	-	*(389,048)	-
LJ Phillips	41,547,139	-	-	(38,648)	41,508,491
AB Steele	14,987,275	-	-	-	14,987,275
JB Hobbs	935,948	-	-	-	935,948
	57,859,410	-	-	(427,696)	57,431,714

* shareholding on the date of resignation of 25 February 2022

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
JB Hobbs*	1,268,905	-	-	-	1,268,905
	1,268,905	-	-	-	1,268,905

* These options have fully vested and are exercisable.

Other transactions with key management personnel and their related parties

	30 June 2022 $	30 June 2021 $
Payment for other expenses:		
Other expenses paid to other related party*	-	532,981
Other transactions:		
Purchase of property from other related party*	-	7,425,000
	-	7,957,981

* The Consolidated Entity leased two premises, in Queensland and South Australia, from entities that were jointly controlled by two Company Directors, AB Steele and LJ Phillips. In February 2021, the Consolidated Entity cancelled the lease for the Queensland property, and in May 2021 purchased the property in South Australia. The purchase of the South Australian property was approved by shareholders at a General Meeting held on 18 May 2021.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Mayfield Group Holdings Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
23/11/2020	23/11/2025	$0.36124	3,156,594
23/02/2022	23/02/2027	$0.35060	215,000
			3,371,594

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

Dividends
During the prior year, a subsidiary of Mayfield Group, Walker Control Pty Ltd paid a dividend of $75,000 (or $75 per ordinary share), of which $26,250 was paid to the minority interest owner and the remainder was eliminated on consolidation.

Environmental regulation
The Consolidated Entity is not subject to any significant environmental regulation under the Australian Commonwealth or State law. However, the Board Risk appetite statement commits the Consolidated Entity to minimise harm to the environment through the implementation of an ISO14001 management system together with a high standard of operational awareness and performance.

The Company has a common standard for all subsidiary entities that provides a risk management framework, consistent with the Board Risk Policy to ensure risks of environmental impact are assessed and classified in a standardised manner. The standard provides a definition of environmental terminology and risk assessment with clear expectations for reporting and escalation, and set standards for investigating and communicating environmental incidents.

Under the standard, the Executive Director must notify the Board of any significant environmental incidents within set timeframes. There have been no significant impacts or breaches during the period covered by this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
KPMG continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

JB Hobbs
Director

30 September 2022
Adelaide

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Mayfield Group Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Mayfield Group Holdings Limited for the financial year ended 30 June 2022 there have been:

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

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

KPMG

KPMG

Paul Cenko
Partner

Adelaide
30 September 2022

Contents

General information

The financial statements cover Mayfield Group Holdings Ltd as a consolidated entity consisting of Mayfield Group Holdings Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Mayfield Group Holdings Ltd's functional and presentation currency.

Mayfield Group Holdings Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

3 Gidgie Crt, Edinburgh, SA 5111

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2022. The directors have the power to amend and reissue the financial statements.

Mayfield Group Holdings Ltd and controlled entities
Consolidated statement of profit or loss
For the year ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $ Restated*
Revenue	5	82,325,382	60,785,046
Share of profits of associates accounted for using the equity method	14	218,959	427,176
Other income	6	395,731	3,337,651
Capital restructure benefit		-	763,110
Interest income		8,908	2,947
Expenses			
Raw materials and consumables used		(45,437,154)	(29,337,336)
Employee benefits expense		(33,287,243)	(26,996,677)
Depreciation and amortisation expense	7	(2,153,305)	(2,127,985)
Occupancy expense		(555,833)	(451,919)
Finance expense	7	(239,837)	(196,908)
Advertising expense		(68,373)	(147,563)
Other expenses		(3,809,539)	(2,905,681)
Profit/(loss) before income tax	7	(2,602,304)	3,151,861
Income tax (expense)/benefit	8	791,817	(546,938)
Profit/(loss) after income tax for the year		(1,810,487)	2,604,923
Profit/(loss) for the year is attributable to:			
Non-controlling interest		-	24,042
Owners of Mayfield Group Holdings Ltd		(1,810,487)	2,580,881
		(1,810,487)	2,604,923
		Cents	**Cents**
Basic earnings per share	40	(2.04)	3.28
Diluted earnings per share	40	(2.04)	3.24

* Refer to note 3 for detailed information on the Restatement of comparatives.

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes

	30 June 2022 $	30 June 2021 $ Restated*
Profit/(loss) after income tax for the year	(1,810,487)	2,604,923
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Loss on the revaluation of laboratory test equipment, net of tax	-	(333,323)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	-	(5,515)
Other comprehensive income for the year, net of tax	-	(338,838)
Total comprehensive income for the year	(1,810,487)	2,266,085
Total comprehensive income for the year is attributable to:		
Non-controlling interest	-	24,042
Owners of Mayfield Group Holdings Ltd	(1,810,487)	2,242,043
	(1,810,487)	2,266,085

* Refer to note 3 for detailed information on the Restatement of comparatives.

Mayfield Group Holdings Ltd and controlled entities
Consolidated statement of financial position
As at 30 June 2022

	Note	30 June 2022 $	30 June 2021 $ Restated*
Assets			
Current assets			
Cash and cash equivalents	9	2,639,415	1,390,825
Trade and other receivables	10	11,820,028	14,265,788
Contract assets	11	5,258,291	6,816,903
Inventories	12	2,550,297	1,654,893
Other assets	13	944,939	1,456,702
Total current assets		23,212,970	25,585,111
Non-current assets			
Investments accounted for using the equity method	14	-	1,215,950
Right-of-use assets	15	2,485,410	1,379,464
Property, plant and equipment	16	11,504,628	11,803,425
Intangibles	17	1,852,033	517,913
Deferred tax	8	4,750,855	3,969,018
Other assets	13	72,725	71,540
Total non-current assets		20,665,651	18,957,310
Total assets		43,878,621	44,542,421
Liabilities			
Current liabilities			
Trade and other payables	18	4,995,767	9,590,909
Contract liabilities	19	5,560,947	3,492,231
Borrowings	20	257,450	448,334
Lease liabilities	21	1,065,654	684,756
Income tax	8	190,916	2,444
Provisions	22	3,046,390	2,510,566
Total current liabilities		15,117,124	16,729,240
Non-current liabilities			
Borrowings	20	5,552,369	5,964,966
Lease liabilities	21	1,675,988	771,368
Provisions	22	131,890	157,591
Total non-current liabilities		7,360,247	6,893,925
Total liabilities		22,477,371	23,623,165
Net assets		21,401,250	20,919,256
Equity			
Issued capital	23	10,568,133	8,278,715
Reserves	24	(110,610)	(119,188)
Retained profits		10,943,727	12,759,729
Total equity		21,401,250	20,919,256

* Refer to note 3 for detailed information on Restatement of comparatives.

Mayfield Group Holdings Ltd and controlled entities
Consolidated statement of changes in equity
For the year ended 30 June 2022

	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total equity $
Balance at 1 July 2020	2,386,520	476,330	10,178,848	239,635	13,281,333
Profit after income tax expense for the year – restated*	-	-	2,580,881	24,042	2,604,923
Other comprehensive income for the year, net of tax	-	(338,838)	-	-	(338,838)
Total comprehensive income for the year – restated*	-	(338,838)	2,580,881	24,042	2,266,085
Transactions with owners in their capacity as owners:					
Cost of combination for acquisition by Mayfield (note 23) - restated*	5,592,795	-	-	-	5,592,795
Share-based payments (note 41)	-	33,638	-	-	33,638
Dividend paid (note 25)	-	-	-	(26,250)	(26,250)
Shares issued for the full acquisition of Walker Control Pty Ltd (note 23)	299,400	-	-	(237,427)	61,973
Adjustment for the full acquisition of Walker Control Pty Ltd	-	(290,318)	-	-	(290,318)
Balance at 30 June 2021	8,278,715	(119,188)	12,759,729	-	20,919,256

* Refer to note 3 for detailed information on the Restatement of comparatives.

	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total equity $
Balance at 1 July 2021	8,278,715	(119,188)	12,759,729	-	20,919,256
Loss after income tax benefit for the year	-	-	(1,810,487)	-	(1,810,487)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(1,810,487)	-	(1,810,487)
Transactions with owners in their capacity as owners:					
Issues of shares for the full acquisition of ATI Australia Pty Ltd (note 23)	2,089,818	-	-	-	2,089,818
Issues of shares for the full acquisition of Walker Control Pty Ltd Pty Ltd (note 23)	199,600	-	-	-	199,600
Share-based payments	-	3,063	-	-	3,063
Transfer from reserves upon the derecognition of subsidiary	-	5,515	(5,515)	-	-
Balance at 30 June 2022	10,568,133	(110,610)	10,943,727	-	21,401,250

Mayfield Group Holdings Ltd and controlled entities
Consolidated statement of cash flows
For the year ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		96,398,505	60,665,647
Payments to suppliers and employees (inclusive of GST)		(94,201,059)	(59,713,722)
		2,197,446	951,925
Interest received		8,908	2,947
Interest and other finance costs paid		(239,837)	(193,818)
Income taxes paid		(218,739)	(1,266,471)
Net cash from/(used in) operating activities	37	1,747,778	(505,417)
Cash flows from investing activities			
Net cash acquired in a business combination	33	3,171,061	3,693,295
Payments for property, plant and equipment		(974,584)	(9,436,913)
Proceeds from disposal of property, plant and equipment		286,734	86,376
Proceeds from capital investment grant		-	317,990
Derecognition of subsidiary		(90,133)	-
Net cash from/(used in) investing activities		2,393,078	(5,339,252)
Cash flows from financing activities			
Proceeds from borrowings		-	6,263,661
Dividends paid	25	-	(26,250)
Repayment of borrowings		(1,977,870)	(774,324)
Repayment of principle portion of lease liabilities		(914,396)	(909,438)
Net cash from/(used in) financing activities	39	(2,892,266)	4,553,649
Net increase/(decrease) in cash and cash equivalents		1,248,590	(1,291,020)
Cash and cash equivalents at the beginning of the financial year		1,390,825	2,681,845
Cash and cash equivalents at the end of the financial year	9	2,639,415	1,390,825

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These consolidated financial statements comprise Mayfield Group Holdings Limited (the Company) and its subsidiaries (together referred to as the 'Group'). The comparative financial information includes the results of Mayfield Group Investments Pty Ltd (Mayfield) and its subsidiaries from 1 July 2020 as well as the Company and its subsidiaries from 20 November 2020 to 30 June 2021. The presentation of comparatives on this basis is in line with the accounting requirements for the reverse acquisition transaction that took place on 20 November 2020 whereby Mayfield was deemed the accounting acquirer of the Company (legal parent).

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss,

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 32.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mayfield Group Holdings Ltd ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Mayfield Group Holdings Ltd and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Mayfield Group Holdings Ltd's functional and presentation currency.

Note 1. Significant accounting policies (continued)

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2022. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations but they are not expected to have a material impact.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets
The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. The useful lives of assets are disclosed in note 16.

Goodwill and other indefinite life intangible assets
The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows as stated in note 17.

Income tax and Recovery of deferred tax assets
The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity makes specific judgments regarding unused tax losses, which are carried as a deferred tax asset to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Refer to note 8.

In determining the recoverability of the deferred tax asset, management has considered historical performance and the probability of utilisation of the next 4-years' tax losses per a forecast approved by management, as well as the risk that the Consolidated Entity will not continue to pass the continuity of ownership text.

Revenue from manufacturing of goods and rendering of services
A significant portion of the Consolidated Entity's activities is from contracts where revenue is recognised over time. The Consolidated Entity is required to make estimates of sales, costs or extent of progress towards completion. These estimates may depend upon the outcome of future events and may need to be revised as circumstances change. Changes in sales or costs, from a change in estimates, are reflected in the profit or loss in the period in which the circumstances become known to management. Refer to note 5 for further details on accounting policies.

Note 3. Restatement of comparatives

Adjustment of prior period misstatement
On 20 November 2020 Mayfield Group Investments Pty Ltd was deemed to have acquired Mayfield Group Holdings Limited (formally Stream Group Limited). This was accounted for as an AASB 2 Share based payments reverse acquisition with Mayfield Group Holdings Limited recognised as the accounting acquiree. At the time of the acquisition, the accounting acquiree had carried forward tax losses and tax credits giving rise to deferred tax assets that were not appropriately recognised even though they were considered recoverable to the consolidated group.

Consequently, the deferred tax assets reported as at 30 June 2021 have been increased by $3,001,125 to $3,969,018. Deferred tax assets have been recognised to the extent probable future taxable profits will be available within the Mayfield tax consolidated group to recover them.

This adjustment has reduced the previously reported unrecognised unused tax losses at 30 June 2021 from $17,677,262 to $9,575,229. The adjusted unrecognised tax losses at 30 June 2021 represent an unrecognised deferred tax asset of $2,872,569. This unrecognised deferred tax asset can only be utilised in the future if the continuity of ownership test is passed and sufficient taxable profits are considered probable.

Note 3. Restatement of comparatives (continued)

In addition, the fair value of the deemed consideration for the reverse acquisition of Mayfield Group Holdings Limited at 20 November 2020 was inappropriately determined to be $4,407,810, being 12,202,209 shares owned by the former Mayfield Group Holdings Limited shareholders prior to the acquisition date, valued at $0.36 per share. The number of shares used to determine the deemed consideration should have included the 3,333,333 shares issued by Mayfield Group Holding Limited for cash on, but immediately before the reverse acquisition.

Consequently, the fair value of the deemed consideration should have been $5,592,795, being 15,535,542 shares, valued at $0.36 per share. As a result, the Issued capital reported at 30 June 2021 has increased by $1,184,985

The net impact of both restatements resulted in the previously reported capital restructure expense of $1,053,030 being adjusted to a capital restructure benefit of $763,110 for the year ended 30 June 2021. These restatements have had no impact on the 1 July 2020 opening balance sheet, nor the 30 June 2021 cash flow statements.

Statement of profit or loss and other comprehensive income

Extract	30 June 2021 $ Reported	$ Adjustment	30 June 2021 $ Restated
Revenue			
Capital restructure benefit	(1,053,030)	1,816,140	763,110
Profit before income tax expense	1,335,721	1,816,140	3,151,861
Income tax expense	(546,938)	-	(546,938)
Profit after income tax (expense)/benefit for the year	788,783	1,816,140	2,604,923
Other comprehensive income for the year, net of tax	(338,838)	-	(338,838)
Total comprehensive income for the year	449,945	1,816,140	2,266,085
Profit/(loss) for the year is attributable to:			
Non-controlling interest	24,042	-	24,042
Owners of Mayfield Group Holdings Ltd	764,741	1,816,140	2,580,881
	788,783	1,816,140	2,604,923
Total comprehensive income for the year is attributable to:			
Non-controlling interest	24,042	-	24,042
Owners of Mayfield Group Holdings Ltd	425,903	1,816,140	2,242,043
	449,945	1,816,140	2,266,085

	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	0.97	2.31	3.28
Diluted earnings per share	0.93	2.31	3.24

Note 3. Restatement of comparatives (continued)

Extract	30 June 2021 $ Reported	$ Adjustment	30 June 2021 $ Restated
Assets			
Non-current assets			
Deferred tax	967,893	3,001,125	3,969,018
Total non-current assets	15,956,185	3,001,125	18,957,310
Total assets	41,541,296	3,001,125	44,542,421
Net assets	17,918,131	3,001,125	20,919,256
Equity			
Issued capital	7,093,730	1,184,985	8,278,715
Retained profits	10,943,589	1,816,140	12,759,729
Total equity	17,918,131	3,001,125	20,919,256

Note 4. Operating segments

Accounting policy for operating segments
The operating segments are identified based on separate financial information, which is reviewed by the Board of Directors, representing the Consolidated Entity's Chief Operating Decision Makers ('CODM'), in assessing performance and in determining the allocation of resources.

The Consolidated Entity operates primarily in one operating segment, namely electrical and telecommunications infrastructure, and one geographical segment, namely Australia. As the Consolidated Entity operates in only one segment, the consolidated results are also its segment results.

Revenue from overseas customers is not material to the Consolidated Entity.

Note 5. Revenue

	30 June 2022 $	30 June 2021 $
Revenue from contracts with customers		
Sales recognised over a period of time	78,152,359	57,232,700
Sales recognised at a point in time	3,881,097	3,402,112
	82,033,456	60,634,812
Other revenue		
Rental income	26,919	26,006
Sundry revenue	265,007	124,228
	291,926	150,234
Revenue	82,325,382	60,785,046

Note 5. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	30 June 2022 $	30 June 2021 $
Major product lines		
Sale of purchased products	3,881,097	3,402,112
Revenue from rendering of services	19,560,266	16,698,062
Revenue from manufactured products	58,592,093	40,534,638
	82,033,456	60,634,812

Accounting policy for revenue recognition
The Consolidated Entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. The majority of contracts with customers does not include a variable component, and if provided, do not have a significant impact on revenue.

Sale of purchased products
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Revenue from rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price based on a percentage of costs incurred over expected costs, or an hourly rate as the cost is incurred.

Revenue from manufactured products
Revenue from contracts for the manufacturing of goods is recognised based on a percentage of completion on a cost incurred basis including a reasonable profit margin.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 6. Other income

	30 June 2022 $	30 June 2021 $
Net foreign exchange gain	36,566	138,284
Net gain on disposal of property, plant and equipment	69,529	14,514
Net gain on disposal of right-of-use asset	-	63,062
Apprentices subsidies rebates	266,635	34,143
Government grants	23,001	-
Jobkeeper subsidies	-	3,087,648
Other income	395,731	3,337,651

Accounting policy for government grants and the jobkeeper subsidies
Government grants and the jobkeeper subsidies are recognised as income when it is reasonably assured that the condition attached to the subsidies can be complied with and that the subsidies will or have been received.

Note 7. Expenses

	30 June 2022 $	30 June 2021 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Buildings	241,689	4,477
Leasehold improvements	54,298	276,990
Plant and equipment	636,183	578,372
Motor vehicles	262,031	231,831
Laboratory test equipment	20,211	76,849
Buildings right-of-use assets	836,384	959,466
Total depreciation	2,050,796	2,127,985
Amortisation		
Development	102,509	-
Total depreciation and amortisation	2,153,305	2,127,985
Finance costs		
Interest and finance charges paid/payable on borrowings	175,576	63,233
Interest and finance charges paid/payable on lease liabilities	64,261	133,675
Finance costs expensed	239,837	196,908
Net loss on disposal		
Net loss on derecognition of equity investment in ATI Australia Pty Ltd	41,697	-
Net loss on derecognition of subsidiaries	89,201	-
Net loss on disposal of right-of-use assets	40,719	-
Leases		
Rent concessions as direct consequence of the COVID-19 pandemic	-	20,184
Superannuation expense		
Defined contribution superannuation expense	2,163,623	1,694,249
Share-based payments expense		
Share-based payments expense	3,063	33,638
Research costs		
Research costs	92,151	-
Write off/(Write back) of assets		
Inventories	107,040	20,124
Bad and doubtful debts	105,095	(7,750)

Note 8. Income tax

	30 June 2022 $	30 June 2021 $
Income tax expense		
Current tax	-	477,430
Deferred tax	(801,808)	184,019
Adjustment recognised for prior periods	9,991	(114,511)
Aggregate income tax expense/(benefit)	(791,817)	546,938
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit	(2,602,304)	3,151,861
Tax at the statutory tax rate of 30%	(780,691)	945,558
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	919	10,091
Other non-allowable items	43,652	378,795
Share of net profits of associates	(65,688)	(128,153)
Other non-assessable items	-	(544,842)
	(801,808)	661,449
Adjustment recognised for prior periods	9,991	(114,511)
Income tax expense/(benefit)	(791,817)	546,938

	30 June 2022 $	30 June 2021 $ Restated*
Amounts credited directly to equity		
Deferred tax assets	-	(14,447)
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	10,572,227	9,575,229
Potential tax benefit @ 30%	3,171,668	2,872,569

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed.

Note 8. Income tax (continued)

	30 June 2022 $	30 June 2021 $ Restated*
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses carried forward	4,098,998	3,513,782
Employee benefits	1,015,361	731,037
Provisions	15,131	10,565
Accrued expenses	86,583	64,436
Trade receivables	42,474	12,269
Property, plant and equipment	(556,848)	(473,630)
Inventories	49,156	6,966
Prepayments	-	(1,230)
Deferred transaction costs	-	104,823
Deferred tax asset	4,750,855	3,969,018
Movements:		
Opening balance	3,969,018	936,919
Credited to profit or loss	801,808	661,449
Credited to equity	-	14,447
Additions through business combinations (note 33)	(11,200)	(3,174)
Adjustments recognised for prior periods	(8,771)	2,359,377
Closing balance	4,750,855	3,969,018

* Refer to note 3 for detailed information on the Restatement of comparatives.

The recoverability of the deferred tax assets has been reassessed using the probable cash flow projections. Despite the loss incurred in the current financial year, the group believes that future taxable amounts will be available to utilise the temporary differences and tax losses.

	30 June 2022 $	30 June 2021 $
Provision for income tax		
Provision for income tax	190,916	2,444

The current year's provision for income tax relates to the pre-acquisition income tax attributable to ATI Australia Pty Ltd.

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Note 8. Income tax (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group, arising under the joint and several liability provisions of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

Tax Consolidation
The parent entity and its subsidiaries have implemented the tax consolidation legislation and have formed a tax-consolidated group. This means that:

- each entity recognises its 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.

Note 9. Cash and cash equivalents

	30 June 2022 $	30 June 2021 $
Current assets		
Cash on hand	1,021	1,000
Cash at bank	2,638,394	1,389,825
	2,639,415	1,390,825

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 10. Trade and other receivables

	30 June 2022 $	30 June 2021 $
Current assets		
Receivables from contracts with customers	11,919,336	14,300,152
Less: Allowance for expected credit losses	(140,995)	(40,979)
	11,778,341	14,259,173
Other receivables	41,687	6,615
	11,820,028	14,265,788

Allowance for expected credit losses
The Consolidated Entity has recognised a loss of $105,095 (2021: gain $7,750) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

Note 10. Trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	%	%	$	$	$	$
Not overdue	0.04%	0.03%	9,447,591	9,254,238	3,779	2,776
1 month overdue	0.14%	0.09%	1,594,560	4,742,204	2,232	4,268
2 months overdue	1.17%	0.97%	161,864	193,393	1,894	1,876
3 months overdue	3.33%	3.60%	509,784	65,293	16,976	2,351
4 to 6 months overdue	16.17%	57.53%	156,400	51,639	25,290	29,708
over 6 months overdue	100.00%	100.00%	90,824	-	90,824	-
			11,961,023	14,306,767	140,995	40,979

Movements in the allowance for expected credit losses are as follows:

	30 June 2022	30 June 2021
	$	$
Opening balance	40,979	494,307
Additional provisions recognised	105,095	-
Receivables written off during the year as uncollectable	(5,079)	(445,578)
Unused amounts reversed	-	(7,750)
Closing balance	140,995	40,979

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic. As a result, the calculation of expected credit losses has been revised as at 30 June 2022 and rates have increased in each category up to 3 months overdue. Mayfield continues to improve its client mix in dealing with larger reputable companies, coupled with a low level of receivables written off during the last four years. The $445,578 receivable written off during the prior year represented a single customer which was fully provisioned in the 30 June 2019 financial year, and finally written off.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 11. Contract assets

	30 June 2022 $	30 June 2021 $
Current assets		
Contract assets	5,258,291	6,816,903

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	6,816,903	1,891,989
Additions	5,258,291	6,816,903
Transfer to trade receivables	(6,816,903)	(1,891,989)
Closing balance	5,258,291	6,816,903

The Consolidated Entity has an unconditional right to consideration upon meeting specific contractual obligations as part of various contracts within an original expected duration of one year or less. Contract assets have no exposure to credit losses.

Accounting policy for contract assets
Contract assets are recognised when the Consolidated Entity has transferred goods or services to the customer but where the Consolidated Entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 12. Inventories

	30 June 2022 $	30 June 2021 $
Current assets		
Raw materials	880,644	631,587
Less: Provision for impairment	(54,000)	-
	826,644	631,587
Work in progress - at cost	45,371	-
Stock on hand	1,788,135	1,046,527
Less: Provision for impairment	(109,853)	(23,221)
	1,678,282	1,023,306
	2,550,297	1,654,893

Accounting policy for inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'weighted average costs' basis. Cost comprises of direct materials and delivery costs, direct labour, and import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock on hand is stated at the lower cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates, and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 13. Other assets

	30 June 2022 $	30 June 2021 $
Current assets		
Prepayments	832,988	800,876
Security deposits	12,436	25,490
Other current assets	99,515	630,336
	944,939	1,456,702
Non-current assets		
Security deposits	17,350	71,540
Other non-current assets	55,375	-
	72,725	71,540
	1,017,664	1,528,242

Note 14. Investments accounted for using the equity method

	30 June 2022 $	30 June 2021 $
Non-current assets		
Investment in associate	-	1,215,950

Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Consolidated Entity are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**30 June 2022 %**	**30 June 2021 %**
ATI Australia Pty Ltd*	Australia	-	40%

* The remaining 60% of ATI Australia Pty Ltd was acquired on 15 November 2021

ATI Australia Pty Ltd (ATI) is an engineering-led business that designs, constructs and supports enterprise-level, wireless telecommunication systems. The business holds a carrier license and provides systems integration services and solar and battery power systems for telecommunication. The Company's investment in ATI is driven by the trend towards increasing digitisation of electrical infrastructure and the recognition that data communication is a vital component of this trend.

The following table summarises the financial information of ATI Australia Pty Ltd and its subsidiaries as included in its own financial statements, adjusted for fair value adjustments at acquisition. The table also reconciles the summarised financial information to the carrying amount of the Consolidated Entity's interest in ATI. The information for 2022 presented in the table includes the results from 1 July 2021 to 15 November 2021, i.e. up to the of purchasing the remaining 60% in ATI.

Note 14. Investments accounted for using the equity method (continued)

Summarised financial information

	ATI Australia Pty Ltd	
	30 June 2022	**30 June 2021**
	$	**$**
Summarised statement of financial position		
Current assets	-	6,136,164
Non-current assets	-	1,842,675
Total assets	-	7,978,839
Current liabilities	-	2,863,984
Non-current liabilities	-	2,074,982
Total liabilities	-	4,938,966
Net assets	-	3,039,873
Summarised statement of profit or loss and other comprehensive income		
Revenue	4,566,537	9,592,259
Expenses	(3,807,371)	(8,275,260)
Profit before income tax	759,166	1,316,999
Income tax expense	(211,768)	(249,060)
Profit after income tax	547,398	1,067,939
Other comprehensive income	-	-
Total comprehensive income	547,398	1,067,939
Reconciliation of the Consolidated Entity's carrying amount		
Opening carrying amount	1,215,950	788,774
Share of profit after income tax	218,959	427,176
Derecognition upon the acquisition of remaining 60% interest in ATI (note 33)	(1,393,212)	-
Loss on derecognition of equity investment	(41,697)	-
Closing carrying amount	-	1,215,950

Accounting policy for associates
Associates are entities over which the Consolidated Entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Consolidated Entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Consolidated Entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 15. Right-of-use assets

	30 June 2022 $	30 June 2021 $
Non-current assets		
Land and buildings - right-of-use	3,793,511	2,071,072
Less: Accumulated depreciation	(1,308,101)	(691,608)
	2,485,410	1,379,464

The Consolidated Entity leases land and buildings for its offices and warehouses under agreements of between 2 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and Buildings $
Balance at 1 July 2021	1,379,464
Additions	1,020,132
Additions through business combinations (note 33)	1,139,063
Disposals	(216,865)
Depreciation expense	(836,384)
Balance at 30 June 2022	2,485,410

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 16. Property, plant and equipment

	30 June 2022 $	30 June 2021 $
Non-current assets		
Land - at cost	1,363,099	1,363,099
Buildings - at cost	7,249,223	7,235,729
Less: Accumulated depreciation	(826,015)	(584,325)
	6,423,208	6,651,404
Leasehold improvements - at cost	252,456	190,928
Less: Accumulated depreciation	(152,755)	(98,814)
	99,701	92,114
Plant and equipment - at cost	6,109,834	5,850,647
Less: Accumulated depreciation	(3,787,548)	(3,225,198)
	2,322,286	2,625,449
Motor vehicles - at cost	1,101,305	1,163,778
Less: Accumulated depreciation	(595,141)	(479,147)
	506,164	684,631
Laboratory test equipment - at valuation	202,110	202,110
Less: Accumulated depreciation	(20,211)	-
	181,899	202,110
Capital Work in Progress	608,271	184,618
	11,504,628	11,803,425

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land $	Buildings $	Leasehold improve-ments $	Plant and equipment $	Motor vehicles $	Laboratory test equipment $	Capital Work in Progress $	Total $
Balance at 1 July 2020	-	-	945,746	2,028,507	674,393	551,653	-	4,200,299
Additions	1,363,099	6,133,945	36,802	1,403,816	310,961	3,672	184,618	9,436,913
Additions through business combinations (note 33)	-	-	-	629	-	-	-	629
Disposals	-	-	(2,005)	(644)	(68,892)	(321)	-	(71,862)
Revaluation decrements	-	-	-	-	-	(276,045)	-	(276,045)
Capital investment grant	-	-	-	(317,990)	-	-	-	(317,990)
Transfers in/(out)	-	521,936	(611,439)	89,503	-	-	-	-
Depreciation expense	-	(4,477)	(276,990)	(578,372)	(231,831)	(76,849)	-	(1,168,519)
Balance at 30 June 2021	1,363,099	6,651,404	92,114	2,625,449	684,631	202,110	184,618	11,803,425
Additions	-	13,493	25,051	247,096	218,975	-	469,968	974,583
Additions through business combinations (note 33)	-	-	20,086	73,682	64,368	-	-	158,136
Disposals	-	-	-	(15,375)	(199,779)	-	(1,950)	(217,104)
Transfers in/(out)	-	-	16,748	27,617	-	-	(44,365)	-
Depreciation expense	-	(241,689)	(54,298)	(636,183)	(262,031)	(20,211)	-	(1,214,412)
Balance at 30 June 2022	1,363,099	6,423,208	99,701	2,322,286	506,164	181,899	608,271	11,504,628

Note 16. Property, plant and equipment (continued)

Refer to note 27 for further information on fair value measurement.

Accounting policy for property, plant and equipment
Property, plant and equipment, excluding laboratory test equipment, are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Laboratory test equipment is shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	30 years
Laboratory test equipment	10 years
Plant and equipment	3-20 years
Motor vehicles	5-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter. The remaining lease terms range between 2 and 3 years.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

During the previous year, the Consolidated Entity received $317,990 in relation to the Manufacturing Modernisation Fund grant scheme. Government grants relating to assets are deducted from the carrying amount of those assets.

Note 17. Intangibles

	30 June 2022 $	30 June 2021 $
Non-current assets		
Goodwill - at cost	1,390,742	517,913
Development - at cost	563,800	-
Less: Accumulated amortisation	(102,509)	-
	461,291	-
	1,852,033	517,913

The recoverable amount of the Consolidated Entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 4-year projection period approved by the board and extrapolated for a further year using a steady 2.5% rate, together with a terminal value.

For the purpose of impairment testing, $307,337 of goodwill relates to Mayfield Services Pty Ltd (formerly STE Solutions Pty Ltd), $210,576 to Walker Control Pty Ltd and $872,828 to ATI Australia Pty Ltd, and they are separate cash-generating units. Key assumptions are those to which the recoverable amount of an asset or cash-generating unit is most sensitive.

Note 17. Intangibles (continued)

The following key assumptions were used in the discounted cash flow models:
- Pre-tax discount rates: Mayfield Services 21.8% (2021: 24.8%) , Walker Control 23.6% (2021: 24.8%) , and ATI Australia 21%;
- 2.5% (2021: 2.0%) per annum revenue and terminal value growth rate;
- Labour can be sourced and increases in labour cost can be recovered from customers;
- There is no significant delay in equipment and materials, and increases in costs can be recovered from customers; and
- Margins achieved on current contracts are sustainable in the current economic climate.

The discount rate reflects the board's estimate of the time value of money, each entity's weighted average cost of capital, and the risk-free rate. Mayfield believes the projected 2.5% revenue growth rate is prudent and justified, based on the general slowing in the market. Based on the calculation, it is not reasonably possible that a change in key assumptions would result in the carrying amount being exceeded.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs for a battery management system are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Consolidated Entity is able to use or sell the asset; the Consolidated Entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Note 18. Trade and other payables

	30 June 2022 $	30 June 2021 $
Current liabilities		
Trade payables	3,191,279	8,341,549
Sundry creditors and accruals	1,804,488	1,249,360
	4,995,767	9,590,909

Refer to note 26 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 19. Contract liabilities

	30 June 2022 $	30 June 2021 $
Current liabilities		
Contract liabilities	5,560,947	3,492,231

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	30 June 2022 $	30 June 2021 $
Opening balance	3,492,231	2,537,470
Payments received in advance	5,560,947	3,492,231
Transfer to revenue - included in the opening balance	(3,492,231)	(2,537,470)
Closing balance	5,560,947	3,492,231

Note 19. Contract liabilities (continued)

Unsatisfied performance obligations are part of various contracts with an original expected duration of one year or less.

Accounting policy for contract liabilities
Contract liabilities represent the Consolidated Entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Consolidated Entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Consolidated Entity has transferred the goods or services to the customer.

Note 20. Borrowings

	30 June 2022 $	30 June 2021 $
Current liabilities		
Equipment finance loans	257,450	448,334
Non-current liabilities		
Bank loans	5,197,500	5,197,500
Equipment finance loans	354,869	767,466
	5,552,369	5,964,966
	5,809,819	6,413,300

Refer to note 26 for further information on financial instruments.

Total secured liabilities
The total secured liabilities are as follows:

	30 June 2022 $	30 June 2021 $
Equipment finance loans	612,319	1,215,800
Bank loan	5,197,500	5,197,500
	5,809,819	6,413,300

Assets pledged as security
The bank overdraft and equipment finance loans are secured by a first-ranking general security interest over the Consolidated Entity's property.

Note 20. Borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	30 June 2022 $	30 June 2021 $
Total facilities		
Bank overdraft	3,000,000	2,000,000
Bank loans	5,197,500	5,197,500
Bank guarantees	12,360,970	12,057,724
Equipment finance	3,000,000	3,353,074
	23,558,470	22,608,298
Used at the reporting date		
Bank overdraft	-	-
Bank loans	5,197,500	5,197,500
Bank guarantees	8,950,713	9,393,706
Equipment finance	612,319	1,215,800
	14,760,532	15,807,006
Unused at the reporting date		
Bank overdraft	3,000,000	2,000,000
Bank loans	-	-
Bank guarantees	3,410,257	2,664,018
Equipment finance	2,387,681	2,137,274
	8,797,938	6,801,292

The bank loan is a 3-year variable interest-only loan secured by the first registered mortgage over the property located at 3 Gidgie Court, Edinburgh, South Australia and is repayable on 21 June 2024.

Bank overdraft is repayable on demand.

In the course of providing goods and services to its customers, the group provides performance and latent defect bank guarantees to third parties. The Consolidated Entity has not had any claims against bank guarantees in the current or prior year up to the signing date of this financial report. The potential exposure is treated as a contingent liability.

Equipment finance loans have loan repayments periods between 2 and 5 years with fixed interest rates established at the commencement of the term.

The current facilities are subject to financial and non-financial covenants.

At 30 June 2022, the corporate entity has an unlimited interlocking corporate Guarantee and Indemnity between its Australian members of the Consolidated Entity.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 21. Lease liabilities

	30 June 2022 $	30 June 2021 $
Current liabilities		
Lease liability	1,065,654	684,756
Non-current liabilities		
Lease liability	1,675,988	771,368
	2,741,642	1,456,124

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 22. Provisions

	30 June 2022 $	30 June 2021 $
Current liabilities		
Employee benefits	3,005,142	2,279,198
Warranties	41,248	231,368
	3,046,390	2,510,566
Non-current liabilities		
Employee benefits	131,890	157,591
	3,178,280	2,668,157

The aggregate employee benefits liability is $3,137,032 (2021: $2,436,789)

Warranties
The provision represents the estimated warranty claims in respect of sales of products and services which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts. It is expected that the majority of this expenditure will be incurred in the next annual reporting period, and all will be incurred within two years of the reporting date.

Note 22. Provisions (continued)

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

30 June 2022	Warranty provisions $
Carrying amount at the start of the year	231,368
Additional provisions recognised	14,107
Amounts used	(8,074)
Derecognition of subsidiary	(196,153)
Carrying amount at the end of the year	41,248

Accounting policy for provisions
Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 23. Issued capital

	30 June 2022 Shares	30 June 2021 Shares	30 June 2022 $	30 June 2021 $ Restated*
Ordinary shares - fully paid	90,585,894	85,365,883	10,568,133	8,278,715

Note 23. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$ Restated*
Balance	1 July 2020	11,490		2,386,520
Exchange of Mayfield's shares for the Company's shares	20 November 2020	(11,490)		-
Ordinary Shares of the Company	1 July 2020	1,525,236,020		-
Share consolidation	23 October 2020	(1,513,033,811)		-
Shares issued before acquisition (a)	20 November 2020	3,333,333		-
Company shares issued to Mayfield vendors on acquisition (b)	20 November 2020	69,206,591		-
Cost of combination for acquisition by Mayfield (c)	20 November 2020	-		5,592,795
Shares issued for the full acquisition of Walker Control Pty Ltd (d)	27 January 2021	623,750	$0.480	299,400
Balance	30 June 2021	85,365,883		8,278,715
Shares issued for the full acquisition of Walker Control Pty Ltd (d)	30 July 2021	207,916	$0.480	99,800
Shares issued for the full acquisition of ATI Australia Pty Ltd (e)	15 November 2021	4,804,179	$0.435	2,089,818
Shares issued for the full acquisition of Walker Control Pty Ltd (d)	24 March 2022	207,916	$0.480	99,800
Balance	30 June 2022	90,585,894		10,568,133

(a) The Company issued 3,333,333 shares through a public offering on 20 November 2020, raising $1,151,842 (net of transaction costs) before completing the reverse acquisition with Mayfield.
(b) The $25,000,189 attributable to the issue of 69,206,591 shares to the Mayfield vendors disclosed in the 31 December 2020 interim financial statements has been reversed against the restructure reserve. The amount is not considered to be a consideration for the acquisition of the Company.
(c) On 20 November 2020, the issue of shares to the shareholders of the Company at the capital raising share price of $0.36 as consideration for the acquisition by Mayfield. No funds were raised as the consideration for the Shares was the transfer of shares in Mayfield.
(d) On 27 January 2021, the Company issued 623,750 shares at $0.48 per share, representing 60% of the consideration to purchase the remaining 35% minority interest in Walker Control Pty Ltd. On 30 July 2021 a further 207,916 shares at $0.48 were issued, with the remaining 207,916 shares issued on 24 March 2022 at $0.48 per share.
(e) On 15 November 2021, the Company issued 4,804,179 fully paid ordinary shares at $0.435 per share for the acquisition of the remaining 60% of ATI Australia Pty Ltd.

* Refer to note 3 for detailed information on the Restatement of comparatives.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 23. Issued capital (continued)

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Accounting policy for issued capital
Ordinary shares are classified as equity.

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

Note 24. Reserves

	30 June 2022 $	30 June 2021 $
Revaluation surplus reserve	126,677	126,677
Foreign currency reserve	-	(5,515)
Share-based payments reserve	766,800	763,737
Restructure reserve	(1,004,087)	(1,004,087)
	(110,610)	(119,188)

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of the laboratory test equipment.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations. The reserve related to Qusol business which was placed into liquidation and derecognised as a subsidiary.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Restructure reserve
During the prior year, an adjustment to the restructure reserve was recognised following the purchase of the remaining minority interest in Walker Control. The reserve is used to record equity restructures, including common control combinations and minority interest acquisitions.

Note 25. Dividends

Dividends
During the prior year, a subsidiary of Mayfield Group, Walker Control Pty Ltd paid a dividend of $75,000 (or $75 per ordinary share), of which $26,250 was paid to the minority interest owner and the remainder was eliminated on consolidation.

Franking credits

	30 June 2022 $	30 June 2021 $
Franking credits available for subsequent financial years based on a tax rate of 30%	3,009,819	3,272,539

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Note 26. Financial instruments

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the Consolidated Entity's operating units and reports to the Board on a regular basis.

Market risk

Foreign currency risk

The Consolidated Entity purchases inventory and equipment denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

To protect against exchange rate movements, the Consolidated Entity's policy is to enter into foreign exchange contracts for all exposures greater than $100,000. The Consolidated Entity does not have a material foreign currency exposure at the reporting date, and there were no outstanding forward exchange contracts.

The Consolidated Entity did not maintain any derivative instruments at the end of the current or prior financial years.

Price risk

The Consolidated Entity is not exposed to any significant price risk.

Interest rate risk

The Consolidated Entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Consolidated Entity to interest rate risk. Borrowings obtained at fixed rates expose the Consolidated Entity to fair value interest rate risk.

As at the reporting date, the Consolidated Entity had the following variable rate borrowings outstanding:

	30 June 2022		30 June 2021	
	Weighted average interest rate %	**Balance $**	**Weighted average interest rate %**	**Balance $**
Bank loans secured by mortgage	2.72%	5,197,500	2.68%	5,197,500
Equipment finance loans	2.68%	612,319	3.36%	1,215,800
Net exposure to cash flow interest rate risk		5,809,819		6,413,300

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

For the Consolidated Entity the bank loans outstanding, totalling $5,197,500 (2021: $5,197,500), are interest-only loans. Monthly cash outlays of approximately $11,801 (2021: $11,586) per month are required to service the interest payments. An official increase/decrease in interest rates of 3.0% (2021: 2.0%) would have an adverse/favourable effect on profit before tax of $155,925 (2021: $103,950) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Equipment finance loans have fixed interest rates.

Note 26. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Consolidated Entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated Entity based on recent sales experience and historical collection rates.

The Consolidated Entity limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to two months. The group has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic. As a result, the calculation of expected credit losses has been revised as at 30 June 2022 and rates have increased in each category up to 3 months overdue.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Credit risk related to balances with banks and other financial institutions is held with counterparties with a Standard and Poor's rating of at least a BBB rating.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 June 2022	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Remaining contractual maturities $**
Non-derivatives						
Non-interest bearing						
Trade payables	-	3,191,279	-	-	-	3,191,279
Other payables	-	1,804,488	-	-	-	1,804,488
Interest-bearing - variable						
Bank loans	2.72%	141,372	5,338,872	-	-	5,480,244
Interest-bearing - fixed rate						
Equipment finance loans	2.68%	430,199	264,749	281,999	-	976,947
Lease liability	3.30%	1,120,420	888,672	795,335	-	2,804,427
Total non-derivatives		6,687,758	6,492,293	1,077,334	-	14,257,385

Note 26. Financial instruments (continued)

30 June 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	8,341,549	-	-	-	8,341,549
Other payables	-	1,249,360	-	-	-	1,249,360
Interest-bearing - variable						
Bank loans	2.68%	139,033	139,033	5,333,830	-	5,611,896
Interest-bearing - fixed rate						
Equipment finance loans	3.36%	687,187	570,153	566,782	-	1,824,122
Lease liability	3.89%	729,814	640,003	152,566	-	1,522,383
Total non-derivatives		11,146,943	1,349,189	6,053,178	-	18,549,310

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 27. Fair value measurement

Fair value hierarchy
The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

30 June 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Laboratory test equipment	-	-	202,110	202,110
Total assets	-	-	202,110	202,110

30 June 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Laboratory test equipment	-	-	202,110	202,110
Total assets	-	-	202,110	202,110

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 27. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3
The basis of the valuation of laboratory test equipment (NATA test equipment) is fair value. The NATA test equipment was last revalued on 30 June 2021 based on independent assessments by an Associate Member and a Certified Practising Valuer of Plant and Machinery of the Australian Property Institute having experience in the equipment being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar equipment in the same condition.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 28. Key management personnel disclosures

The directors and compensation for key management personnel represent the continuation of Mayfield's financial statements up to 20 November 2020 (the reverse acquisition date), and the Consolidated Entity thereafter.

Directors
The following persons were directors during the financial year:

LE Case
LJ Phillips
JB Hobbs
SM Chase AM
AB Steele

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

JB Hobbs - Group Chief Executive Officer

Compensation
The aggregate compensation made to directors and other key management personnel of the Consolidated Entity is set out below:

	30 June 2022 $	30 June 2021 $ Restated*
Short-term employee benefits	523,298	488,291
Post-employment benefits	40,104	37,587
Long-term benefits	2,758	1,835
Share-based payments	-	2,389
	566,160	530,102

Compensation for the 30 June 2022 year is amounts paid and accrued to key management of the Consolidated Entity.

Information regarding individual director's and executive's compensation and equity instruments disclosure is provided in the Remuneration Report section of the Director's Report as permitted by the Corporations Regulations 2M.3.

Note 28. Key management personnel disclosures (continued)

* In the prior year's financial report compensation included $57,521 which was received by key management personnel in relation to the reverse acquisition of the Qusol business. This was received as a shareholder and does not constitute remuneration. The prior year balance has been restated to exclude this amount from remuneration. In addition, accrued long service leave of $1,835 was excluded from long-term benefits in the prior year's financial report. The prior year balance has been restated to include this amount in remuneration.

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by KPMG, the auditor of the Company:

	30 June 2022 $	30 June 2021 $
Audit services - KPMG (30 June 2021: Pitcher Partners)		
Audit or review of the financial statements	144,689	149,500
Other services - KPMG (30 June 2021: Pitcher Partners)		
Taxation compliance services*	-	37,300
Other assurance services	-	2,620
	-	39,920
	144,689	189,420

* The amounts referred to above represents services provided to Mayfield prior to becoming a public interest entity.

Note 30. Contingent liabilities

The group provides performance and latent defect bank guarantees to third parties. The outstanding bank guarantees as at 30 June 2022 were $8,950,713 (30 June 2021: $9,393,706). These bank guarantees have varying expiry dates from July 2022 to July 2029. The group has not had any claims against bank guarantees given up to the signing date of this financial report.

Qusol NZ Ltd (in liquidation), a former subsidiary of the Company, is a co-defendant with Tower Ltd, a New Zealand insurance company, in long-standing litigation brought by a New Zealand company regarding the alleged unfair allocation of demolition work following the Canterbury earthquakes. The matter is currently in mediation and is being defended. It is not possible to reliably estimate any liability. The Directors believe that sufficient funds are in the liquidator's account to cover continuing defence costs and any anticipated obligations.

Note 31. Related party transactions

Parent entity
Mayfield Group Holdings Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Associates
Interests in associates are set out in note 14.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Note 31. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	30 June 2022 $	30 June 2021 $
Sale of goods and services:		
Sale of services to associate	-	251,369
Payment for other expenses:		
Other expenses paid to other related party*	-	532,981
Other transactions:		
Purchase of property from other related party*	-	7,425,000

* The Consolidated Entity leased two premises, in Queensland and South Australia, from entities that were jointly controlled by two Company Directors, AB Steele and LJ Phillips. In February 2021, the Consolidated Entity cancelled the lease for the Queensland property, and in May 2021 purchased the property in South Australia. The purchase of the South Australian property was approved by shareholders at a General Meeting held on 18 May 2021.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	30 June 2022 $	30 June 2021 $
Current receivables:		
Trade receivables from associate	-	274,664

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity. The legal parent entity of the group is Mayfield Group Holdings Limited, and the results shown below are for the 12 months ended 30 June 2022 and 30 June 2021.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2022 $	30 June 2021 $ Restated
Profit/(loss) after income tax	(150,174)	928,585
Total comprehensive income	(150,174)	928,585

Note 32. Parent entity information (continued)

Statement of financial position

	Parent 30 June 2022 $	Parent 30 June 2021 $ Restated
Total current assets	7,451,792	4,589,328
Total assets	16,927,369	13,871,857
Total current liabilities	5,011,313	1,511,496
Total liabilities	5,018,101	1,514,835
Equity		
Issued capital	11,078,030	6,422,098
Reserves	4,028,923	5,671,696
Retained profits/(accumulated losses)	(3,197,685)	263,228
Total equity	11,909,268	12,357,022

Restatement of comparatives

Adjustment of prior period misstatement as per note 3 also applies to the parent entity. The net impact of the restatements resulted in the previously reported capital restructure expense of $1,053,030 being adjusted to a capital restructure benefit of $763,110 for the year ended 30 June 2021, and the total assets reported as at 30 June 2021 have been increased by $3,001,125 to $13,871,857. These restatements have had no impact on the 1 July 2020 opening balance sheet.

Extract	30 June 2021 $ Reported	$ Adjustment	30 June 2021 $ Restated
Capital Restructure benefit	(1,053,030)	1,816,140	763,110
Total comprehensive income	(868,454)	1,816,140	929,686

Extract	30 June 2021 $ Reported	$ Adjustment	30 June 2021 $ Restated
Total assets	10,870,732	3,001,125	13,871,857
Equity			
Issued Capital	5,237,113	1,184,985	6,422,098
Reserves	5,671,696	-	5,671,696
Accumulated losses	(1,552,912)	1,816,140	263,228
Total equity	9,355,897	3,001,125	12,357,022

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

During the prior year, the parent entity and its Australian subsidiaries entered into a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries

Prior to the reverse acquisition by Mayfield on 20 November 2020, the parent guaranteed the debts of its New Zealand subsidiaries. No deficiencies of assets exist in these subsidiaries. Also, refer to the contingent liability regarding Qusol NZ Ltd in note 30.

Note 32. Parent entity information (continued)

Contingent liabilities
The parent provided bank guarantees to a third party. The outstanding bank guarantees as at 30 June 2022 were $2,941,226 (30 June 2021: $2,941,226). These bank guarantees have varying expiry dates from July 2022 to July 2029. The group has not had any claims against these bank guarantees given up to the signing date of this financial report.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33. Business combinations

Acquisition of remaining 60% of ATI Australia Pty Ltd - 15 November 2021

On 15 November 2021, Mayfield acquired the remaining 60% of the ordinary shares of ATI Australia Pty Ltd (ATI) for the total consideration transferred of $2,089,818. The ATI vendors are entitled to future payments if they remain employees and meet specific revenue and profit targets. The contingent obligation of $232,686 has been accounted for as an employee expense. ATI was acquired to increase the digitisation of electrical infrastructure capability, of which data communication is a vital component. The goodwill of $872,828 represents the expected synergies from merging this business with the electrical infrastructure business. The acquired business contributed revenues of $6,589,778 and profit after tax of $353,439 to the consolidated entity for the period from 15 November 2021 to 30 June 2022. If the acquisition occurred on 1 July 2021, the full-year contributions would have been revenues of $11,156,315 and profit after tax of $909,628. The values identified in relation to ATI acquisition are provisional as at 30 June 2022.

Details of the acquisition are as follows:

	Fair value **$**
Cash and cash equivalents	3,171,061
Trade receivables	779,425
Contract assets	1,301,750
Inventories	969,957
Other current assets	106,813
Plant and equipment	158,135
Right-of-use assets	1,139,063
Product Development	563,800
Trade and other payables	(928,531)
Contract liabilities	(954,947)
Provision for income tax	(379,137)
Deferred tax liability	(11,200)
Employee benefits	(792,535)
Bank loans	(1,374,389)
Lease liability	(1,139,063)
Net assets acquired	2,610,202
Goodwill	872,828
Acquisition-date fair value of the total consideration transferred	3,483,030
Representing:	
Mayfield Group Holding Ltd shares issued to vendor	2,089,818
Fair value of investment in associate	1,393,212
	3,483,030
Acquisition costs expensed to profit or loss	57,978

Note 33. Business combinations (continued)

Reverse acquisition of Mayfield Group Holdings Ltd (formerly Stream Group Limited) - 20 November 2020
The Mayfield Group Holdings Limited (formerly Stream Group Limited) (the Company) acquired Mayfield Group Investments Pty Ltd and its subsidiaries (Mayfield) on 20 November 2020.

At the time of the acquisition, the Company had divested all its operations, apart from Qusol NZ Limited and Qusol Technology Limited (the Qusol business), both incorporated in New Zealand. Other than the Qusol business, the Company was limited to managing its cash balances, filing obligations (i.e. a listed shell), and completion of the acquisition. It is therefore considered that the Company did not meet the definition of a business for the purposes of AASB 3 as it did not have any processes or outputs.

The transaction was therefore accounted for as a reverse acquisition from a consolidated perspective, where Mayfield was the accounting acquirer, and the Company is the legal acquirer. The financial statements are the continuation of the financial statements of Mayfield, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of the Company. This deemed issue of shares was treated as an equity settled share-based payment transaction whereby Mayfield received the net assets of Stream, together with the listing status of Stream. Accordingly, the transaction was accounted for in accordance with AASB 2 – Share-Based Payments.

The acquisition allows Mayfield greater access to liquid funds and unlocks cash to provide organic opportunities and acquisition potential.

Under the reverse acquisition principles, the consideration provided by Mayfield was determined to be $5,592,795 which was the deemed fair value of the 15,535,542 shares owned by the former Mayfield Group Holdings Limited shareholders at the completion of the acquisition, valued at the capital raising share price of $0.36 per share.

The Share Purchase Deed between the parties required the Company to sell Qusol by 28 November 2020 or pay the Mayfield Vendors $250,000. Trade and other payables included $250,000 as the Qusol business was not sold by the agreed date. The fair values of the assets and liabilities of the Company (being the accounting acquiree) as at the date of acquisition and the deemed consideration is as follows:

Details of the acquisition are as follows:

	Fair value $ Restated*
Cash and cash equivalents	3,693,295
Trade and other receivables	144,247
Other current assets	45,628
Plant and equipment	629
Deferred tax asset	3,177,133
Trade and other payables	(438,537)
Other provisions	(266,490)
Acquisition-date fair value of asset acquired	6,355,905
Representing:	
Fair value of identifiable net assets acquired	6,355,905
Capital restructure benefit	(763,110)
Fair value of deemed consideration	5,592,795

* Refer to note 3 for detailed information on the Restatement of comparatives.

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

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 and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

Note 33. Business combinations (continued)

On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated Entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Combinations between entities under common control
Common control transactions which are business combinations involving entities that are ultimately controlled by the same parent entity are accounted for at book value.

Where the Consolidated Entity acquires, as part of a common control transaction, assets that meet the definition of a business, the assets and liabilities acquired are recorded using the book values included in the consolidated financial statements of the entity having the highest level within the common control group. The Consolidated Entity accounts for the difference between the consideration paid (including any contingent consideration) and the book value of the assets and liabilities acquired as a restructure reserve in equity. To the extent the restructure reserve is recognised against contributed equity, subsequent disposals or realisations of the relevant businesses may result in reclassification of the restructure reserve to retained earnings to reflect the realisation of assets to which the restructure reserve relates.

In the Consolidated Entity's financial statements, to the extent, the common control transaction occurred between entities ultimately controlled by the Company, gains and losses relating to a common control transaction are eliminated against the amount recorded in the acquirer's equity relating to the common control transaction.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**30 June 2022 %**	**30 June 2021 %**
Mayfield Industries Pty Ltd	Australia	100.00%	100.00%
Power Parameters Pty Ltd	Australia	100.00%	100.00%
Mayfield Services Pty Ltd	Australia	100.00%	100.00%
Walker Control Pty Ltd	Australia	100.00%	100.00%
Mayfield Engineering Pty Ltd	Australia	100.00%	100.00%
Mayfield Group Investments Pty Ltd	Australia	100.00%	100.00%
ATI Australia Pty Ltd [i]	Australia	100.00%	40.00%
ATI Telecom Pty Ltd	Australia	100.00%	40.00%
Socius Technologies Pty Ltd	Australia	100.00%	40.00%
Qusol New Zealand Ltd [ii]	New Zealand	-	100.00%
Qusol Technology Ltd [ii]	New Zealand	-	100.00%

Note 34. Interests in subsidiaries (continued)

(i) The remaining 60% of ATI Australia Pty Ltd was acquired on 15 November 2021
(ii) Placed into liquidation on 27 July 2021 and derecognised due to loss of control. Other expenses include a loss of $89,201 for the derecognition of the subsidiaries

Note 35. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Mayfield Group Holdings Limited (Holding Entity)
Mayfield Group Investments Pty Ltd
Mayfield Industries Pty Ltd
Mayfield Services Pty Ltd
Walker Control Pty Ltd
Power Parameters Pty Ltd
Mayfield Engineering Pty Ltd
ATI Australia Pty Ltd*
ATI Telecom Pty Ltd*
Socius Technologies Pty Ltd*

* Entities were added to the deed during the current reporting period, and no entities were removed.

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' reports under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Mayfield Group Holdings Ltd, they also represent the 'Extended Closed Group'.

Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 37. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	30 June 2022 $	30 June 2021 $ Restated*
Profit/(loss) after income tax (expense)/benefit for the year	(1,810,487)	2,604,923
Adjustments for:		
Depreciation and amortisation	2,153,205	2,127,985
Net gain on disposal of non-current assets	(28,810)	(77,576)
Share of profit - associates	(218,959)	(427,176)
Foreign exchange differences	-	(5,515)
Share-based payments	3,063	33,638
Net loss on derecognition of subsidiary	89,201	-
Net loss on derecognition of equity investment in ATI Australia Pty Ltd	41,697	-
Capital restructure benefit	-	(763,110)
Transfer from reserves	(5,515)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	3,083,496	(4,809,590)
Decrease/(increase) in contract assets	2,860,362	(4,924,914)
Decrease/(increase) in inventories	74,553	(143,023)
Decrease/(increase) in deferred tax assets	(793,037)	55,033
Decrease in other assets	834,255	(890,986)
Increase/(decrease) in trade and other payables	(5,305,593)	6,178,885
Increase in contract liabilities	1,113,769	954,761
Decrease in provision for income tax	(190,665)	(824,635)
Increase/(decrease) in employee benefits	(92,294)	328,097
Increase/(decrease) in other provisions	(60,463)	77,786
Net cash from/(used in) operating activities	1,747,778	(505,417)

* Refer to note 3 for detailed information on the Restatement of comparatives.

Note 38. Non-cash investing and financing activities

	30 June 2022 $	30 June 2021 $ Restated*
Additions to the right-of-use assets	1,020,132	797,006
Shares issued in relation to business combinations	2,089,818	5,592,795
Cancellation of leases	-	1,293,023
Disposal of right-of-use assets	(216,865)	(1,229,961)
	2,893,085	6,452,863

* Refer to note 3 for detailed information on the Restatement of comparatives.

Note 39. Changes in liabilities arising from financing activities

	Lease liability $	Equipment finance $	Bank loans $	Total $
Balance at 1 July 2020	2,861,579	923,963	-	3,785,542
Net cash used in financing activities	(909,438)	(774,324)	-	(1,683,762)
Cancellation of leases	(1,293,023)	-	-	(1,293,023)
Loans received	-	1,066,161	5,197,500	6,263,661
Acquisition of leases	781,086	-	-	781,086
Other changes	15,920	-	-	15,920
Balance at 30 June 2021	1,456,124	1,215,800	5,197,500	7,869,424
Net cash used in financing activities	(914,396)	(603,481)	(1,374,389)	(2,892,266)
Acquisition of plant and equipment by means of leases	1,025,509	-	-	1,025,509
Changes through business combinations (note 33)	1,139,063	-	1,374,389	2,513,452
Other changes	35,342	-	-	35,342
Balance at 30 June 2022	2,741,642	612,319	5,197,500	8,551,461

Note 40. Earnings per share

	30 June 2022 $	30 June 2021 $ Restated*
Profit/(loss) after income tax	(1,810,487)	2,604,923
Non-controlling interest	-	(24,042)
Profit/(loss) after income tax	(1,810,487)	2,580,881
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	88,845,890	78,580,866
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	565,030
Ordinary shares for the final settlement of the remaining 40% of Walker Control Pty Ltd	-	415,833
Weighted average number of ordinary shares used in calculating diluted earnings per share	88,845,890	79,561,729
	Cents	**Cents Restated***
Basic earnings per share	(2.04)	3.28
Diluted earnings per share	(2.04)	3.24

* Refer to note 3 for detailed information on the Restatement of comparatives.

Accounting policy for earnings per share

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

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

Note 41. Share-based payments

A share option plan has been established by the consolidated entity, approved by Boards and to be ratified by shareholders at the next general meeting, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel and employees of the consolidated entity. The options are issued for nil consideration.

Set out below are summaries of options granted under the plan:

30 June 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
23/11/2020	23/11/2025	$0.36124	3,156,594	-	-	-	3,156,594
23/02/2022	23/02/2027	$0.35060	-	215,000	-	-	215,000
			3,156,594	215,000	-	-	3,371,594
Weighted average exercise price			$0.36124	$0.35060	-	-	$0.36056

The options granted in the current year will vest 24 months after the issue date. To exercise the options, holders are required to be employed by Mayfield on a full-time basis during the vesting period. Options do not entitle holders to dividends until such time as they become vested options and are exercised and issued as ordinary shares.

30 June 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
23/11/2020	23/11/2025	$0.36124	-	3,156,594	-	-	3,156,594
			-	3,156,594	-	-	3,156,594

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
23/06/2022	23/03/2027	$0.37000	$0.37000	24.93%	2.03%	2.25%	$0.0748

Incremental fair value
The Company issued 1,059,647 ordinary shares for the paid-up portions, and 3,156,594 options over ordinary shares for the unpaid portions, of the partly paid shares held by Mayfield employees upon the reverse acquisition. The options have an exercise price of $0.36124 and expire in five years from the issue date on 23 November 2020, or upon the employee's termination. The options can be exercised immediately.

This change is considered a continuation of the share-based payment for the partly-paid shares issued to Mayfield employees and resulted in an incremental fair value adjustment of $33,638 at the reverse acquisition date. As the partly-paid shares have already vested and the options contain no further vesting conditions, the amount was expensed.

Note 41. Share-based payments (continued)

	30 June 2021 Fair Value $
The incremental fair value adjustment has been derived as follows:	
Options issued by the Company	578,788
Shares issued by the Company for the paid-up capital of the partly-paid shares	382,784
	961,572
Partly-paid shares issued by Mayfield	(838,411)
Paid-up capital for the partly-paid shares	(89,523)
Incremental fair value	33,638

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 35 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

JB Hobbs
Director

30 September 2022
Adelaide

Independent Auditor's Report

To the shareholders of Mayfield Group Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Mayfield Group Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2022;
- Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – restatement of comparative balances

We draw attention to Note 3 in the Financial Report, which states that the amounts reported in the previously issued 30 June 2021 Financial Report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.

The Financial Report of Mayfield Group Holdings for the year ended 30 June 2021 was audited by another auditor who issued an unmodified opinion on the Financial Report on 28 September 2021.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The ***Key Audit Matters*** we identified are:

- Project revenue recognised over time; and
- Carrying value of goodwill in Mayfield Services Pty Ltd and ATI Australia Pty Ltd.

Project revenue recognised over time ($78.2 million)

Refer to Note 5 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Project revenue recognised over time was a key audit matter due to: • The quantum of project revenue earned during the year, which comprised 95% of total revenue; • It is the Group's policy to recognise project revenue on a percentage of completion basis. This requires them to estimate the project cost to complete, as a component of the measurement of the percentage of completion. The estimation of cost to complete is prone to greater risk of bias, error and inconsistent application given the scale, complexity of projects and longer timeframes over which the projects lapse. Additional audit effort was required to evaluate the Group's estimations of project cost to complete, percentage of project completion and therefore revenue recognised. We involved senior team members who understand the Group's business, industry and relevant economic environment.	Our procedures included: • We considered the appropriateness of the project revenue recognition method applied by the Group against the requirements of the accounting standards and our understanding of the business and industry practice. • We obtained an understanding and tested controls over the preparation and oversight of forecast cost to complete estimates and controls over the allocation of project related expenses. • We checked a sample of recognised project related expenses to supporting documentation such as invoices and payroll records. • We compared historical estimates of costs to complete to actuals experienced to assess the Group's historical ability to forecast cost to complete, and therefore inform our assessment of estimations in the current year. • We compared the forecast cost to complete at 30 June 2022 for a sample of projects to the project budget and made enquires with project managers around project status, challenges and uncertainty. • We assessed the estimation of total expected costs for contracting risk by challenging the Group's project managers on their assumptions. We also checked a sample of purchase cost assumptions to underlying documentation such as forward purchase orders. We checked the labour rates to relevant enterprise bargaining agreements. • We tested the accuracy of the underlying project revenue data by tracing a sample of project contractual revenue to signed customer contracts. • We assessed the disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standard.

Carrying value of goodwill in Mayfield Services Pty Ltd and ATI Australia Pty Ltd ($1.2 million)	
Refer to Note 17 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
A key audit matter for us was the Group's annual impairment testing of goodwill allocated to the Mayfield Services Pty Ltd (Mayfield Services) (formerly STE Solutions Pty Ltd) ($0.3m) and ATI Australia Pty Ltd (ATI) ($0.9m) cash generating units (CGUs). This was a key audit matter given the recency of the two acquisitions that resulted in the recognition of the large majority of this goodwill balance ($1.2 million). Mayfield Services incurred a pre-tax loss of $3m in the year ended 30 June 2022. The implications of this to goodwill, in particular the possibility goodwill may be impaired, increased our audit effort in this area. We focused on the significant forward-looking assumptions the Group applied in the value in use models for Mayfield Services and ATI, including: • Forecast cashflows - Mayfield Services incurred a loss during the year. This increased our assessment of the possibility of goodwill being impaired, plus the risk of inaccurate forecasts and a wider range of possible outcomes for us to consider. • Forecast growth rates and terminal growth rates - in addition to the uncertainties described above, the models are highly sensitive to small changes in these assumptions, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the strategy of the Mayfield Services and ATI CGUs. • Discount rate – these are complicated in nature and vary according to the conditions and environment the specific CGUs are subject to from time to time. The Group's modelling is highly sensitive to small changes in the discount rate. The Group uses complex models to perform their annual testing of goodwill for impairment. The models are largely manually developed, use adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. Complex modelling, particularly those containing highly judgemental allocations of corporate assets and costs to CGUs, using forward-looking assumptions, tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • We considered the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • We assessed the integrity of the value in use models used, including the accuracy of the underlying calculation formulas. • We considered the sensitivity of the models by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • We compared the forecast cash flows contained in the value in use models to Board approved forecasts. • We challenged the Group's significant forecast cash flow and growth assumptions. We compared key assumptions in the forecast cash flows to Board approved strategy documents. We compared forecast growth rates and terminal growth rates to external sources. We used our knowledge of the Group, its current year performance, business and customers, and our industry experience • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models. • We checked the consistency of the growth rates to the Group's stated plan and strategy, current year performance of the Group as a whole, and our experience regarding the feasibility of these in the industry and economic environment in which they operate. • We assessed the Group's underlying methodology and documentation for the allocation of corporate costs to the forecast cash flows contained in the value in use model, for consistency with our understanding of the business and the criteria in the accounting standards. • We assessed the Group's allocation of corporate assets to CGUs for reasonableness and consistency based on the requirements of the accounting standards. • Working with our valuation specialists, we independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors. • We assessed the disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Mayfield Group Holdings Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Mayfield Group Holdings Limited for the year ended 30 June 2022 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 9 to 14 of the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

Emphasis of matter – restatement of comparative remuneration report

We draw attention to footnote (a) and (b) to Table 2 on page 11 in the Remuneration Report, which describes the effect of the restatement of other payments disclosed as comparatives. Our opinion is not modified in respect of this matter.

The Remuneration Report of Mayfield Group Holdings for the year ended 30 June 2021 was audited by another auditor who issued an unmodified opinion on the Remuneration Report on 28 September 2021.

KPMG

KPMG

Paul Cenko
Partner

Adelaide

30 September 2022

The shareholder information set out below was applicable as at 13 September 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	Ordinary Shares	Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total Number issued
1 to 1,000	77	0.02	-	-
1,001 to 5,000	111	0.31	-	-
5,001 to 10,000	143	1.19	-	-
10,001 to 100,000	81	2.75	7	5.19
100,001 and over	34	95.73	5	94.81
	446	100.00	12	100.00
Holding less than a marketable parcel	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Nightingale Partners Pty Ltd	40,050,597	44.21
Amteal Pty Ltd	14,987,275	16.54
BNP Paribas Nominees Pty Ltd	7,152,885	7.90
Peta Ware + Christopher Ware	5,810,490	6.41
Lochani Pty Ltd	4,110,101	4.54
Dixson Trust Pty Ltd	1,933,728	2.13
Mamol Investments Pty Ltd	1,894,725	2.09
JR & RT Walker Pty Ltd	1,039,582	1.15
Reitham Finanz GMBH&Co KG	994,720	1.10
Donwood Pty Ltd	961,566	1.06
Maligne Pty Ltd	935,948	1.03
Dhoo-Gunya Pty Ltd	851,972	0.94
Phoenix Development Fund Ltd	762,011	0.84
Ironwood Investments Pty Limited Pty Ltd	620,000	0.68
Dr Stephanie Phillips	590,600	0.65
Robert Harris	503,938	0.56
Contemplator Pty Ltd	431,998	0.48
Notron (No 91) Pty Ltd	389,048	0.43
Robert Allwell Pty Ltd	296,533	0.33
Seafield Superannuation Pty Ltd	255,600	0.28
	84,573,317	93.35

	Options over ordinary shares	
	Number held	**% of total options issued**
Maligne Pty Ltd	1,268,905	37.97
Cakoma Pty Ltd	511,430	15.30
Mark Nesbitt	484,131	14.49
Chris Youels	467,997	14.01
Ryan & Co Holdings Pty Ltd	464,131	13.89
Carel Boshoff	30,000	0.90
Christopher Ware	30,000	0.90
John Tinline	25,000	0.75
Jean-Michel Favre	20,000	0.60
Tina Hailstone	20,000	0.60
Sarah Hughes	20,000	0.60
	3,341,594	100.01

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	**% of total shares issued**
Nightingale Partners Pty Ltd	40,050,597	44.21
Amteal Pty Ltd	14,987,275	16.54
BNP Paribas Nominees Pty Ltd	7,152,885	7.85
Peta Ware and Christopher Ware	5,810,490	6.41

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands, every member present at a meeting in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

There are no other classes of equity securities.

Directors	SR Higgins LJ Phillips AB Steele JB Hobbs SM Chase AM
Company secretaries	Brett Crowley Carel Boshoff
Registered office	3 Gidgie Court Edinburgh SA 5111 Phone: 08 8165 1000
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 https://investor.automic.com.au/
Auditor	KPMG Level 1 100 Hutt Street Adelaide SA 5000
Stock exchange listing	Mayfield Group Holdings Ltd shares are listed on the Australian Securities Exchange (ASX code: MYG)
Website	*https://mayfieldgroup.com.au*
Corporate Governance Statement	*https://mayfieldgroup.com.au/sustainability/*