

## Mayfield Group Holdings Ltd and controlled entities

### Appendix 4D

#### Half-year report

#### 1. Company details

Name of entity:	Mayfield Group Holdings Ltd
ABN:	57 010 597 672
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

#### 2. Results for announcement to the market

		% Restated*	\$
Revenues from ordinary activities	up	77.1% to	44,798,944
Loss from ordinary activities after tax attributable to the owners of Mayfield Group Holdings Ltd	down	131.0% to	(534,382)
Loss for the half-year attributable to the owners of Mayfield Group Holdings Ltd	down	131.0% to	(534,382)

##### *Dividends*

There were no dividends paid, recommended or declared during the current financial period.

##### *Comments*

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$534,382 (31 December 2020: profit of \$1,725,278).

Performance of the electrical manufacturing and newly acquired telecommunications activities were in line with expectations. The consolidated loss was due to STE Solutions Pty Ltd (STE) incurring a \$2.1 million loss for the 6 months to 31 December 2021. STE provides construction and maintenance services in the high voltage facilities and infrastructure sector. \$1.0 million of STE's loss was the result of significant cost overruns on a major construction project, with the balance of the loss being flow-on effects from that project and other matters within that subsidiary, in particular the impact of Covid cross-border restrictions between South Australia and Victoria. The issues that gave rise to these developments have been identified and quantified, and a plan is in place to ensure they do not re-occur. Management and strategy changes have been made at STE as a consequence.

Revenue has grown substantially to \$44,798,944 (31 December 2020: \$25,226,260) driven by the full acquisition of ATI and the large manufacturing order book, although won at lower margins at the height of the Covid pandemic. The consolidated entity maintains a strong order book, with strengthening margins, for manufactured electrical and telecommunications products. It is well placed to take advantage of the relaxing Covid restrictions, although concerned with supply chain delays associated with imported electrical technologies.

#### 3. Net tangible assets

	Reporting period Cents	Previous period Cents Restated*
Net tangible assets per ordinary security	23.10	23.99

Restated\*: Refer to note 3 for detailed information on restatement of comparatives.

**Mayfield Group Holdings Ltd and controlled entities**  
**Appendix 4D**  
**Half-year report**

**4. Details of associates and control gained over associates**

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
ATI Australia Pty Ltd	-	40.00%	218,959	(27,680)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			218,959	(27,680)

The reporting entity acquired the remaining 60% of ATI Australia Pty Ltd (ATI) on 15 November 2021.

**\$**

Contribution of ATI to the reporting entity's profit/(loss) from ordinary activities before income tax during the period 365,666

The total profit contribution of ATI Australia Pty Ltd (ATI) for the half-year was \$584,625 consisting of the \$218,959 equity-accounted profits and the \$365,666 after the full acquisition of ATI on 15 November 2021.

The total contribution of ATI Australia Pty Ltd (ATI) for the previous half-year (31 December 2020) would have been a loss of \$69,200 if the entity had been consolidated from 1 July 2020.

**5. Loss of control over entities**

Name of entities (or group of entities) Qusol NZ Ltd and Qusol Technology Ltd

Date control lost Placed into liquidation on 27 July 2021

The contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the current and previous period was not material.

**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

## **7. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The auditor's review opinion includes the following emphasis of matter.

*Emphasis of matter – Restatement of comparative balances*

We draw attention to Note 3 to the Interim Financial Report, which states that the amounts reported in the previous issued 30 June 2021 Financial Report and 31 December 2020 Interim Financial Report have been restated and disclosed as comparatives in this interim financial report. Our opinion is not modified in respect of this matter.

The Financial Reports of Mayfield Group Holdings Ltd for the year ended 30 June 2021 was audited, and half-year ended 31 December 2020 was reviewed by another auditor who issued an unmodified opinion on both the financial reports on 28 September 2021 and 26 February 2021 respectively.

---

## **8. Attachments**

*Details of attachments (if any):*

The Interim Report of Mayfield Group Holdings Ltd for the half-year ended 31 December 2021 is attached.

---

## **9. Signed**

Signed  \_\_\_\_\_

Date: 24 February 2022

JB Hobbs  
Executive Director  
Adelaide

# Interim Report - 31 December 2021

**Mayfield Group Holdings Ltd** ABN 57 010 597 672

**Mayfield Group Holdings Ltd and controlled entities**  
**Directors' report**  
**31 December 2021**

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') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

**Directors**

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

LE Case - Non-executive Director	resigned as Chairman on 14 February 2022
LJ Phillips - Non-executive Director	
AB Steele - Non-executive Director	
SM Chase AM - Non-executive Director	
JB Hobbs - Executive Director	
SR Higgins - Non-executive Chairman	appointed on 14 February 2022

**Review of operations**

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$534,382 (31 December 2020: profit of \$1,725,278).

Performance of the electrical manufacturing and newly acquired telecommunications activities were in line with expectations. The consolidated loss was due to STE Solutions Pty Ltd (STE) incurring a \$2.1 million loss for the 6 months to 31 December 2021. STE provides construction and maintenance services in the high voltage facilities and infrastructure sector. \$1.0 million of STE's loss was the result of significant cost overruns on a major construction project, with the balance of the loss being flow-on effects from that project and other matters within that subsidiary, in particular the impact of Covid cross-border restrictions between South Australia and Victoria. The issues that gave rise to these developments have been identified and quantified, and a plan is in place to ensure they do not re-occur. Management and strategy changes have been made at STE as a consequence.

Revenue has grown substantially to \$44,798,944 (31 December 2020: \$25,226,260) driven by the full acquisition of ATI and the large manufacturing order book, although won at lower margins at the height of the Covid pandemic. The consolidated entity maintains a strong order book, with strengthening margins, for manufactured electrical and telecommunications products. It is well placed to take advantage of the relaxing Covid restrictions, although concerned with supply chain delays associated with imported electrical technologies.

The Consolidated Entity achieved a strong and improved safety result, with a recordable injury frequency rate of 7.26 and retaining all external ISO45001 occupational health and safety certifications. This result was achieved despite considerable COVID-19 distraction and the need to adapt work methods in line with government guidelines to minimise the risk of COVID-19 infection.

No environmental incidents were recorded, and all ISO14001 environmental certifications were retained.

The consolidated entity continues to be strongly aligned with the trends towards a carbon-neutral future, supply chain security, and increasing digitisation of electrical infrastructure. Implementation has continued on the key strategies.

- The acquisition of the remaining 60% of ATI Australia Pty Ltd, a wireless telecommunications provider that complements the consolidated entity's critical power infrastructure solutions, was completed on 15 November 2021.
- The Qusol business (Qusol NZ Limited and Qusol Technology Ltd) inherited from the acquisition of the former Stream Group Limited was placed into liquidation on 27 July 2021. The Qusol business did not have a material impact on the results for the half-year.
- The merger of the Power Parameters Pty Ltd into ATI Australia Pty Ltd to extend geographical reach, expand the range of customer solutions and obtain administrative synergies.
- Improving manufacturing excellence with the robot sheet metal bender now in full production and the mechanised washing plant undergoing installation at Mayfield Industries Pty Ltd.
- The transition to 3D design software at Mayfield Industries, to achieve improved client/supplier collaboration, speed to market and error reduction, has commenced and should be substantially complete by financial year-end.
- Reopening of the STE Solutions Pty Ltd Victoria depot in Ballarat following the relaxation of the South Australia cross-border travel restrictions in December 21.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Mayfield Group Holdings Ltd and controlled entities**  
**Directors' report**  
**31 December 2021**

**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 on page 3 and forms part of the directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



---

JB Hobbs  
Executive Director

24 February 2022



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

---

To the Directors of Mayfield Group Holdings Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Mayfield Group Holdings Ltd for the half-year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



KPMG

A handwritten signature in black ink, appearing to read 'Paul Cenko'.

Paul Cenko  
Partner

Adelaide  
24 February 2022

## **Mayfield Group Holdings Ltd and controlled entities**

### **Contents**

**31 December 2021**

Statement of profit or loss	5
Statement of other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	19
Independent auditor's review report to the members of Mayfield Group Holdings Ltd	20

### **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 half-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 24 February 2022.



**Mayfield Group Holdings Ltd and controlled entities**  
**Statement of profit or loss**  
**For the half-year ended 31 December 2021**

	Note	December 2021 \$	December 2020 \$ Restated*
<b>Revenue from continuing operations</b>	4	44,798,944	25,226,260
Share of profits/(losses) of associates accounted for using the equity method		218,959	(27,680)
Other income	5	202,068	2,901,178
Interest income calculated using the effective interest method		4,838	1,936
Capital restructure benefit		-	763,110
<b>Expenses</b>			
Raw materials and consumables used		(25,666,147)	(11,768,275)
Employee benefits expense		(17,066,371)	(12,126,496)
Depreciation and amortisation expense		(1,001,819)	(1,030,441)
Occupancy expense		(279,180)	(191,538)
Finance expense		(127,733)	(103,427)
Advertising expense		(38,240)	(79,335)
Other expenses		(1,887,255)	(1,222,524)
<b>Profit/(loss) before income tax (expense)/benefit from continuing operations</b>		(841,936)	2,342,768
Income tax (expense)/benefit		307,554	(574,313)
Profit/(loss) after income tax (expense)/benefit from continuing operations		(534,382)	1,768,455
Loss after income tax benefit from discontinued operations	6	-	(11,451)
<b>Profit/(loss) after income tax (expense)/benefit for the half-year</b>		<u>(534,382)</u>	<u>1,757,004</u>
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		-	31,726
Owners of Mayfield Group Holdings Ltd		<u>(534,382)</u>	<u>1,725,278</u>
		<u>(534,382)</u>	<u>1,757,004</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	15	(0.62)	2.40
Diluted earnings per share	15	(0.62)	2.30

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

**Mayfield Group Holdings Ltd and controlled entities**  
**Statement of other comprehensive income**  
**For the half-year ended 31 December 2021**

	<b>December 2021 \$</b>	<b>December 2020 \$ Restated*</b>
<b>Profit/(loss) after income tax (expense)/benefit for the half-year</b>	(534,382)	1,757,004
Other comprehensive income for the half-year, net of tax	-	-
<b>Total comprehensive income for the half-year</b>	<u>(534,382)</u>	<u>1,757,004</u>
Total comprehensive income for the half-year is attributable to:		
Continuing operations	-	31,726
Discontinued operations	-	-
Non-controlling interest	-	31,726
Continuing operations	(534,382)	1,736,729
Discontinued operations	-	(11,451)
Owners of Mayfield Group Holdings Ltd	<u>(534,382)</u>	<u>1,725,278</u>
	<u>(534,382)</u>	<u>1,757,004</u>

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

**Mayfield Group Holdings Ltd and controlled entities**  
**Statement of financial position**  
**As at 31 December 2021**

	<b>Note</b>	<b>December 2021 \$</b>	<b>June 2021 \$ Restated*</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	5,205,864	1,390,825
Trade and other receivables		12,380,400	14,265,788
Contract assets		5,987,137	6,816,903
Inventories		2,689,255	1,654,893
Other		1,307,631	1,488,501
Total current assets		<u>27,570,287</u>	<u>25,616,910</u>
<b>Non-current assets</b>			
Investments accounted for using the equity method	13	-	1,215,950
Property, plant and equipment		11,859,700	11,771,626
Right-of-use assets		1,970,374	1,379,464
Intangibles	8	1,928,915	517,913
Deferred tax		4,265,548	3,969,018
Other		96,175	71,540
Total non-current assets		<u>20,120,712</u>	<u>18,925,511</u>
<b>Total assets</b>		<u>47,690,999</u>	<u>44,542,421</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		6,546,958	9,590,909
Contract liabilities		6,493,801	3,492,231
Borrowings		290,331	448,334
Lease liabilities		809,042	684,756
Income tax		373,052	2,444
Provisions		3,180,144	2,510,566
Total current liabilities		<u>17,693,328</u>	<u>16,729,240</u>
<b>Non-current liabilities</b>			
Borrowings		5,855,986	5,964,966
Lease liabilities		1,393,567	771,368
Provisions		173,626	157,591
Total non-current liabilities		<u>7,423,179</u>	<u>6,893,925</u>
<b>Total liabilities</b>		<u>25,116,507</u>	<u>23,623,165</u>
<b>Net assets</b>		<u>22,574,492</u>	<u>20,919,256</u>
<b>Equity</b>			
Issued capital	9	10,468,333	8,278,715
Reserves		(113,673)	(119,188)
Retained profits		12,219,832	12,759,729
<b>Total equity</b>		<u>22,574,492</u>	<u>20,919,256</u>

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

**Mayfield Group Holdings Ltd and controlled entities**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2021**

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
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 half-year – restated*	-	-	1,725,278	31,726	1,757,004
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year – restated*	-	-	1,725,278	31,726	1,757,004
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs – restated*	5,592,795	-	-	-	5,592,795
Share-based payments	-	33,638	-	-	33,638
Foreign currency translation reserve	-	(3,776)	-	-	(3,776)
Dividends paid (note 10)	-	-	-	(26,250)	(26,250)
Balance at 31 December 2020	<u>7,979,315</u>	<u>506,192</u>	<u>11,904,126</u>	<u>245,111</u>	<u>20,634,744</u>
	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	7,093,730	(119,188)	10,943,589	-	17,918,131
Adjustment for prior period misstatement (note 3)	1,184,985	-	1,816,140	-	3,001,125
Balance at 1 July 2021 - restated	8,278,715	(119,188)	12,759,729	-	20,919,256
Loss after income tax benefit for the half-year	-	-	(534,382)	-	(534,382)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(534,382)	-	(534,382)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 9)	2,189,618	-	-	-	2,189,618
Transfer from reserves upon the derecognition of subsidiary	-	5,515	(5,515)	-	-
Balance at 31 December 2021	<u>10,468,333</u>	<u>(113,673)</u>	<u>12,219,832</u>	<u>-</u>	<u>22,574,492</u>

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

**Mayfield Group Holdings Ltd and controlled entities**  
**Statement of cash flows**  
**For the half-year ended 31 December 2021**

	<b>Note</b>	<b>December 2021 \$</b>	<b>December 2020 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		55,326,410	27,993,705
Payments to suppliers and employees (inclusive of GST)		(52,143,165)	(26,605,457)
		3,183,245	1,388,248
Interest received		4,838	665
Interest and other finance costs paid		(127,733)	(33,437)
Other income		154,605	2,785,445
Income taxes paid		(27,942)	(388,180)
Net cash from operating activities		3,187,013	3,752,741
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(567,044)	(624,169)
Proceeds from disposal of property, plant and equipment		75,410	65,000
Net cash acquired in business combination		3,171,061	3,693,295
Proceeds from capital investment grant		-	131,171
Loss of cash on derecognition of subsidiary		(189,739)	-
Net cash from investing activities		2,489,688	3,265,297
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	86,385
Dividends paid	10	-	(26,250)
Repayment of borrowings		(1,641,372)	(219,502)
Repayment of principle portion of lease liabilities		(220,290)	(480,358)
Net cash used in financing activities		(1,861,662)	(639,725)
Net increase in cash and cash equivalents		3,815,039	6,378,313
Cash and cash equivalents at the beginning of the financial half-year		1,390,825	2,681,845
Cash and cash equivalents at the end of the financial half-year		<u>5,205,864</u>	<u>9,060,158</u>

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

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**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, 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.

*Business combinations*

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported. Refer note 11.

**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 and half year ended 31 December 2020.

These restatements have had no impact on the 1 July 2020 opening balance sheet, nor the 30 June 2021 and 31 December 2020 cash flow statements.

	<b>June 2021</b>		<b>June 2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Extract</b>	<b>Reported</b>	<b>Adjustment</b>	<b>Restated</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax	967,893	3,001,125	3,969,018
Total non-current assets	15,924,386	3,001,125	18,925,511
<b>Total assets</b>	41,541,296	3,001,125	44,542,421
<b>Net assets</b>	17,918,131	3,001,125	20,919,256
<b>Equity</b>			
Issued capital	7,093,730	1,184,985	8,278,715
Retained profits	10,943,589	1,816,140	12,759,729
<b>Total equity</b>	17,918,131	3,001,125	20,919,256
	<b>31 December 2020</b>		<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Extract</b>	<b>Reported</b>	<b>Adjustment</b>	<b>Restated</b>
Capital restructure (expense) / benefit	(1,053,030)	1,816,140	763,110
Profit before income tax expense from continuing operations	526,628	1,816,140	2,342,768
Profit / (loss) after income tax expense	(59,136)	1,816,140	1,757,004
Profit attributable to owners of Mayfield Group Holdings Ltd	(90,862)	1,816,140	1,725,278
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.11)	2.51	2.40
Diluted earnings per share	(0.10)	2.40	2.30

**Mayfield Group Holdings Ltd and controlled entities**  
**Notes to the financial statements**  
**31 December 2021**

**Note 4. Revenue**

	December 2021 \$	December 2020 \$
<b>From continuing operations</b>		
<i>Revenue from contracts with customers</i>		
Sales recognised over a period of time	42,553,075	23,588,902
Sales recognised at a point in time	2,158,221	1,573,860
	<u>44,711,296</u>	<u>25,162,762</u>
<i>Other revenue</i>		
Rental income	13,231	13,031
Sundry revenue	74,417	50,467
	<u>87,648</u>	<u>63,498</u>
Revenue from continuing operations	<u><u>44,798,944</u></u>	<u><u>25,226,260</u></u>

*Disaggregation of revenue*

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

	December 2021 \$	December 2020 \$
Sale of purchased product	2,158,221	1,573,860
Rendering of services	11,151,051	6,196,797
Sale of manufactured product	31,402,024	17,392,105
	<u><u>44,711,296</u></u>	<u><u>25,162,762</u></u>

**Note 5. Other income**

	December 2021 \$	December 2020 \$
Net foreign exchange gain	27,789	101,688
Net gain on disposal of property, plant and equipment	19,674	14,045
Government grants	23,001	-
Jobkeeper subsidies	-	2,785,445
Other subsidies	131,604	-
Other income	<u><u>202,068</u></u>	<u><u>2,901,178</u></u>

**Note 6. Discontinued operations**

*Description*

The consolidated entity acquired Qusol NZ Limited and Qusol Technology Limited (the Qusol business), both incorporated in New Zealand, as part of the Company's reverse acquisition on 20 November 2020. Qusol NZ Limited provides insurance claims management software as a service to the insurance and construction industries, whilst Qusol Technology Limited owns the claims software. The Qusol business did not fit with the consolidated entities provision of electrical products and services. Its geographical isolation meant that it was difficult to incorporate into the consolidated entity's long term strategy resulting in the directors deciding to dispose of them.



**Mayfield Group Holdings Ltd and controlled entities**  
**Notes to the financial statements**  
**31 December 2021**

**Note 6. Discontinued operations (continued)**

*Financial performance information*

	<b>December 2020 \$</b>
Discontinued revenue	63,764
Foreign exchange gain	2,074
Total revenue	<u>65,838</u>
Employee benefits expense	(39,948)
Other expenses	(44,452)
Total expenses	<u>(84,400)</u>
Loss before income tax benefit	(18,562)
Income tax benefit	7,111
Loss after income tax benefit from discontinued operations	<u><u>(11,451)</u></u>

**Note 7. Cash and cash equivalents**

	<b>December 2021 \$</b>	<b>June 2021 \$</b>
<i>Current assets</i>		
Cash on hand	1,000	1,000
Cash at bank	5,050,579	1,389,825
Cash on deposit	154,285	-
	<u>5,205,864</u>	<u>1,390,825</u>
	<b>December 2021 \$</b>	<b>December 2020 \$</b>
<b>Reconciliation of cash</b>		
Cash on hand	1,000	2,000
Cash at bank	5,050,579	8,923,363
Cash on deposit	154,285	321,220
	<u>5,205,864</u>	<u>9,246,583</u>
Bank overdrafts	-	(186,425)
Cash and cash equivalents per statement of cash flows	<u><u>5,205,864</u></u>	<u><u>9,060,158</u></u>

**Mayfield Group Holdings Ltd and controlled entities**  
**Notes to the financial statements**  
**31 December 2021**

**Note 8. Intangibles**

	December 2021 \$	June 2021 \$
<i>Non-current assets</i>		
Goodwill - at cost	1,390,742	517,913
Development - at cost	563,800	-
Less: Accumulated amortisation	(25,627)	-
	538,173	-
	<u>1,928,915</u>	<u>517,913</u>

*Accounting policy for intangible assets*

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Research and development*

Research costs are expensed in the period in which they are incurred. Development costs 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 9. Issued capital**

	December 2021 Shares	June 2021 Shares	December 2021 \$	June 2021 \$ Restated*
Ordinary shares - fully paid	90,377,978	85,365,883	10,468,333	8,278,715

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

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance (restated refer note 3)	1 July 2021	85,365,883		8,278,715
Shares issued for acquisition of the remaining interest in ATI Australia Pty Ltd (a)	15 November 2021	4,804,179	\$0.435	2,089,818
Shares issued for acquisition of minority interest in Walker Control Pty Ltd (b)	30 July 2021	207,916	\$0.480	99,800
Balance	31 December 2021	<u>90,377,978</u>		<u>10,468,333</u>

(a) 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.

**Note 9. Issued capital (continued)**

(b) 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 207,917 shares to be issued over the next 6 months upon satisfactory completion of various business outcomes.

*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.

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.

**Note 10. Dividends**

There were no dividends paid, recommended or declared by the Company during the current or previous financial half-year.

However, during the previous half-year, 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.

**Mayfield Group Holdings Ltd and controlled entities**  
**Notes to the financial statements**  
**31 December 2021**

**Note 11. Business combinations**

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 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 \$2,035,787 and profit after tax of \$365,666 to the consolidated entity for the period from 15 November 2021 to 31 December 2021. If the acquisition occurred on 1 July 2021, the half-year contributions would have been revenues of \$6,596,671 and profit after tax of \$921,812. The values identified in relation to ATI acquisition are provisional as at 31 December 2021.

Details of the acquisition are as follows:

	<b>Provisional Fair value \$</b>
Cash and cash equivalents	3,171,061
Trade and other 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)
	<hr/>
Net assets acquired	2,610,202
Goodwill	872,828
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>3,483,030</u>
Representing:	
Mayfield Group Holdings Ltd shares issued to vendor	2,089,818
Fair value of investment in associate	1,393,212
	<hr/>
	<u>3,483,030</u>
	<hr/>
Acquisition costs expensed to profit or loss	<u>57,978</u>

**Mayfield Group Holdings Ltd and controlled entities**  
**Notes to the financial statements**  
**31 December 2021**

**Note 12. 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:

Name	Principal place of business / Country of incorporation	Ownership interest	
		December 2021 %	June 2021 %
Mayfield Industries Pty Ltd	Australia	100.00%	100.00%
Power Parameters Pty Ltd	Australia	100.00%	100.00%
STE Solutions 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*	Australia	100.00%	40.00%
Qusol NZ Ltd**	New Zealand	-	100.00%
Qusol Technology Ltd**	New Zealand	-	100.00%

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

\*\* 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 13. Investments accounted for using the equity method**

	December 2021 \$	June 2021 \$
<i>Non-current assets</i>		
ATI Australia Pty Ltd	-	1,215,950

*Reconciliation*

Reconciliation of the carrying amounts at the beginning and end of the current half-year and previous financial year are set out below:

Opening carrying amount	1,215,950	788,774
Profit after income tax	218,959	427,176
Derecognition upon acquisition of remaining 60% interest in ATI (note 11)	(1,393,212)	-
Loss on the derecognition of associate	(41,697)	-
Closing carrying amount	-	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:

Name	Principal place of business / Country of incorporation	Ownership interest	
		December 2021 %	June 2021 %
ATI Australia Pty Ltd*	Australia	-	40.00%

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

**Mayfield Group Holdings Ltd and controlled entities**  
**Notes to the financial statements**  
**31 December 2021**

**Note 14. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2021 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 15. Earnings per share**

	<b>December 2021 \$</b>	<b>December 2020 \$ Restated*</b>
<i>Earnings per share for profit/(loss) from continuing operations</i>		
Profit/(loss) after income tax	(534,382)	1,768,455
Non-controlling interest	-	(31,726)
Profit/(loss) after income tax attributable to the owners of Mayfield Group Holdings Ltd	<u>(534,382)</u>	<u>1,736,729</u>
	<b>December 2021 \$</b>	<b>December 2020 \$</b>
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of Mayfield Group Holdings Ltd	-	(11,451)
	<b>December 2021 \$</b>	<b>December 2020 \$ Restated*</b>
<i>Earnings per share for profit/(loss)</i>		
Profit/(loss) after income tax	(534,382)	1,757,004
Non-controlling interest	-	(31,726)
Profit/(loss) after income tax attributable to the owners of Mayfield Group Holdings Ltd	<u>(534,382)</u>	<u>1,725,278</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	86,741,309	71,795,848
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	3,156,595	3,156,595
Ordinary shares for the final settlement of the remaining 35% of Walker Control Pty Ltd (refer note 9b)	207,917	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>90,105,821</u>	<u>74,952,443</u>
	<b>Cents</b>	<b>Cents Restated*</b>
Basic earnings per share	(0.62)	2.40
Diluted earnings per share	(0.62)	2.30

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

**Mayfield Group Holdings Ltd and controlled entities**

**Directors' declaration**

**31 December 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

JB Hobbs  
Executive Director

24 February 2022



# Independent Auditor's Review Report

To the shareholders of Mayfield Group Holdings Ltd

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of Mayfield Group Holdings Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Mayfield Group Holdings Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated Statement of Financial Position as at 31 December 2021;
- Consolidated Statement of Profit or Loss, Consolidated Statement of other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the Half-year ended on that date;
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Mayfield Group Holdings Ltd (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

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

## Emphasis of matter – restatement of comparative balances

We draw attention to Note 3 to the Interim Financial Report, which states that the amounts reported in the previously issued 30 June 2021 Financial Report and 31 December 2020 Interim Financial Report have been restated and disclosed as comparatives in this interim financial report. Our opinion is not modified in respect of this matter.

The Financial Reports of Mayfield Group Holdings Ltd for the year ended 30 June 2021 was audited, and half-year ended 31 December 2020 was reviewed, by another auditor who issued an unmodified opinion on both the financial reports on 28 September 2021 and 26 February 2021 respectively.





### Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Paul Cenko  
Partner

Adelaide

24 February 2022