nomad
building solutions limited

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2014

ASX HALF-YEAR INFORMATION – 31 DECEMBER 2014

Appendix 4D – Lodged with ASX under listing rule 4.2A

This information should be read in conjunction with the 30 June 2014 Annual Report of Nomad Building Solutions Limited.

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NOMAD BUILDING SOLUTIONS LIMITED

ABN 52 117 371 418

Results for Announcement to the Market

26 February 2015

Current reporting period: Half Year ended 31 December 2014

Previous corresponding period: Half Year ended 31 December 2013

	$'000	**Percentage change from previous corresponding period**
Revenue from ordinary activities	10,598	down 67%
Profit (Loss) from ordinary activities after tax attributable to members	(23,205)	down 1,855%
Net Profit (Loss) from the period attributable to members	(23,205)	down 1,855%

Dividends	**Amount per security**	**Franked amount per security**
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Payment date of dividend		N/A
Record date for determining entitlements to the dividend		N/A
Date of receipt of Dividend Reinvestment Plan notices		N/A

Net Tangible assets	**Current Period**	**Previous Period**
Net tangible assets per security (cents)	2.2	7.1

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Nomad Building Solutions Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

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Directors' Report

Your directors present their report on the consolidated entity consisting of Nomad Building Solutions Limited and the entities it controlled ("the Group") at the end of, or during the half-year ended 31 December 2014.

Directors

The names of persons who were directors of Nomad Building Solutions Limited ("Nomad" or "the Company") during the whole of the half-year and up to the date of this report are:
David John Franklyn – Non-executive Chairman
Peter Charles Constable – Non-executive Director
David Harold Bottomley – Alternate Director to Peter Constable
Lachlan McIntosh was appointed as non-executive Director on 3 October 2014.
Heather Gardner was appointed as non-executive Director on 10 November 2014 and Chief Executive Officer on 22 November 2014.
Andrew John Sturcke resigned as Managing Director and Company Secretary on 7 November 2014.
Peter John Hogan resigned as non-executive Director on 31 July 2014.

Oliver Schweizer was appointed as Interim Company Secretary on 10 November 2014.

Review of Operations

A summary of the consolidated revenues and results is set out below:

	December 2014 $'000	**December 2013 $'000**
Revenue	10,556	25,686
Other	-	-
Total revenue	10,556	25,686
Profit / (loss) from continuing operations before Impairments & Redundancy expenses	(1,737)	1,050
Redundancy expenses	(124)	(114)
Impairment expense (non-cash)	(20,163)	-
Income tax expense	-	-
Loss from discontinued operations	(1,181)	(2,123)
Net Loss attributable to members of Nomad Building Solutions Limited	**(23,205)**	**(1,187)**

Directors' Report
Cont'd…

Comments on the operations and the results of those operations are set out below:
Nomad Building Solutions Limited reports a net loss after tax of $23.2M for the half-year ended 31 December 2014. Total revenue from continuing operations for the half-year decreased by 59% to $10.6M.

Result
The trading result from continuing operations for the half-year is summarised as follows:

	Half-year ended 31 December 2014		**Half-year ended 31 December 2013**		**(Decrease)**	
	$M	**% of Revenue**	**$M**	**% of Revenue**	**$m**	**%**
Revenue	10.6		25.7		(15.1)	(59)
EBITDA *	(21.8)	(206)	1.5	5.8	(23.3)	(1,556)
EBIT	(22.0)	(208)	1.0	3.7	(23.0)	(2,385)
Net Profit / (Loss) after tax	(22.0)	(209)	0.9	3.6	(22.9)	(2,454)
Basic Earnings/ (Loss) per share	(8.3)c		0.3c			

* EBITDA stands for earnings before interest expense, tax depreciation and amortisation.

Comments on the performance of the key divisions of the Group for the half-year are as follows:

Review of Operations

EBITDA loss from continuing operations is $21.76M for the half year to 31 December 2014. This result includes a group impairment charge for goodwill in the McGrath business of $15.12M, and impairment charges of $5.05M in the Nomad Properties business. The impairment to goodwill in the McGrath business reflects a reduction in forecasted private residential sales, particularly in regions exposed to the mining industry, continued tightening of margins and the subdued commercial activity for the half.

The company strongly believes that the current impairments and provisions in the balance sheet mark the end of the asset write-downs.

Continuing Operations
McGrath Homes has reported an EBITDA loss of $0.77M on revenue of $10.3M for the half year. Commercial projects generated $2.3M of revenue for the half year, with private residential generating $8.0M.

Nomad Properties's operating asset, a 56 room accommodation facility (Karratha Village) in Karratha WA, had an average occupancy rate of 42% for the first half of FY2015, with the occupancy rate for the second quarter at 57%. Based on lower than historical occupancy rates and room rates, an impairment charge of $1.88M has been booked to Nomad Properties for the half year.

As at 31 December 2014, Nomad Properties incurred $3.17M of leasehold development costs at a lot in South Headland, Western Australia. Based on uncertainty around the tenure and development opportunities around this asset, Nomad has fully impaired this asset in the half year accounts. The business achieved an EBITDA loss of $5.07M, which includes one-off impairment charges of $5.05M.

Corporate has reported an EBITDA loss of $0.8M for the FY2015 half year, an improvement of $0.3M from the $1.1M for the corresponding previous half year period. Management is endeavouring to put in place a sub-lease for the corporate office in Balcatta, but due to the higher office vacancy rates in Perth, the entity has incurred an onerous lease charge of $0.09M in the half year.

Discontinued Operations

Rapley has reported an EBITDA loss of $0.29M for the half year which reflects a $0.4M impairment charge of its 5 houses in Derby, WA offset by the recovery of a project retention which had previously been classified as a doubtful debt.

Nomad Modular continued its focus on closing down the remaining three projects and produced an EBITDA loss of $0.16M reflecting the management and administration costs involved in closing out these projects.

Nomad Eastern States has incurred an EBITDA loss of $0.71M in the half year. NES has impaired its remaining assets, a plot of land and a display home/land by $0.12m in the half year. The sub lease of its Wacol premises is being renegotiated through to the end of the head lease which expires in February 2019. As a result of this, an increase in the onerous lease provision of $0.53M from the year-end has been incurred in these accounts.

Cash at bank at 31 December 2014 was $4.3M (including $1.76M in trust as security for bank guarantees) against cash at bank at 30 June 2014 of $8.3M (including $1.76M in trust).The adverse movement of $4.0M for the half comprises $2.91M payment to the Compass Group to settle lease development costs at South Headland, $0.24M from losses at NES, $0.16M from losses at Nomad Modular, Corporate overhead costs of $0.9M, offset by a $0.29M contribution by McGrath, and Asset Sales of $0.15M

Outlook

McGrath Homes has undergone a thorough business review. This review focused on key operational areas within the business, people, procurement, projects, plant and equipment. Intense cost reduction has occurred, with a review of project delivery methodologies, renegotiation of supply agreements, rationalisation of plant and equipment within the business and the tightening of expenditure and operational, delivery including processes.

Implementation and realignment of the business operations will be ongoing. Market conditions are continuing to tighten, with the retraction in the mining and gas sectors impacting on a number of areas within the commercial tendering market. McGrath will look to expand the range of commercial customers. Areas of expansion to date have been identified and initiated are retirement / lifestyle accommodation and government regional housing and related remote project work. Management will continue to focus on increasing the market share for private residential. This will be achieved by focus on targeted advertising, improved sales training to increase the conversion rate of enquiry to sales, product innovation and new designs and improving productivity and reducing costs to protect margins that remain under pressure in an increasingly competitive market. The medium to longer term view for the McGrath business remains encouraging.

Nomad Rental is expected to return a slightly improved result in the second half as a result of increased demand for transient accommodation driven by a number of upcoming new projects in Karratha.

South Headland Development Lease - Nomad is currently in discussions with the relevant authorities over the terms and structure of this landholding and the best means of developing this asset.

Rapley is not undertaking any further work. The only operations occurring are finalising outstanding legacy issues. Rapley previously completed 5 two bedroom, 2 bathroom units in Derby, WA during the first half of FY2014. These units are now being marketed for sale and are expected to contribute circa $1.4M in cash proceeds.

Subsequent to the half-year on 18 February 2015, Nomad announced the acquisition of, **Bloomer Constructions (Qld) Pty Ltd ("Bloomer")** for an amount up to $10.4m. Total purchase consideration is comprised of:

1. Completion consideration equal to $1.5m cash plus $4.4m in shares, subject to escrow, at $0.05 per share; and

2. Earn out consideration equal to a maximum of $4.5m payable in shares of which $1.5m is at $0.05 per share and $3.0m is at $0.065 per share subject to attainment of attendance and EBIT performance targets, respectively, for the period between completion and FY 2017.

Bloomer is a leading medium-sized private residential and commercial construction company based in Capalaba, Queensland. As at mid February 2015, Bloomer had approximately $158m in work on hand with a further $68m in work won but not yet started. Nomad expects Bloomer to generate EBIT margins of approximately 3.5% and to meet both of its earn out targets. On the basis that these earn out targets are met, the implied acquisition multiple for Bloomer will be approximately 2.6x average annual EBIT. The acquisition of Bloomer is expected to complete, subject to shareholder approval, in April 2015.

Corporate
Considerable cost savings have been achieved during the first half. The Board will continue to evaluate appropriate corporate growth opportunities via mergers and/or acquisitions.

In addition there will be a continued focus on strengthening the balance sheet with a view to utilising the company's substantial tax losses $33M and franking credits $17m via a dividend payment and / or a return of capital to shareholders in due course.

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 7.

Rounding of Amounts
The Company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class Order.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Heather Gardner
Chief Executive Officer / Managing Director
Brisbane
26 February 2015

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF NOMAD BUILDING SOLUTIONS LIMITED

As lead auditor for the review of Nomad Building Solutions Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Nomad Building Solutions Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 26 February 2015

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2014

	Note	31 Dec 2014 $'000	31 Dec 2013 $'000
Revenue from continuing operations		**10,556**	25,686
Other income / (loss)		**(414)**	22
Raw materials, consumables and contract labour		**(8,135)**	(19,510)
Employee benefits expense		**(1,761)**	(2,543)
Depreciation and amortisation expenses		**(224)**	(532)
Borrowing cost expense		**(41)**	(26)
Impairment of assets		**(5,047)**	-
Impairment of intangibles		**(15,116)**	-
Operating lease cost		**(776)**	(875)
Corporate and administration expenses		**(856)**	(975)
Other expenses		**(210)**	(311)
Profit / (loss) before income tax expense		**(22,024)**	936
Income tax expense		**-**	-
Profit / (loss) after income tax from continuing operations		**(22,024)**	936
Other comprehensive income		**-**	-
Loss from discontinued operations net of income tax	3	**(1,181)**	(2,123)
Total comprehensive loss for the half year		**(23,205)**	(1,187)
Net loss and total comprehensive loss attributable to members of Nomad Building Solutions Limited		**(23,205)**	(1,187)
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company			
		Cents	Cents
Basic loss per share	11	**(8.3)**	(0.4)
Diluted loss per share	11	**(8.3)**	(0.4)
Continuing operations			
Basic Earnings/(loss) per share	11	**(7.9)**	0.3
Diluted Earnings/(loss) per share	11	**(7.9)**	0.3

The above consolidated statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position
As at 31 December 2014

	Note	31 December 2014 $'000	30 June 2014 $'000
ASSETS			
Cash and cash equivalents		**2,531**	6,544
Cash Held in trust		**1,763**	1,760
Trade and other receivables		**2,992**	2,741
Inventories		**1,392**	2,554
Assets Held as Available for Sale	6	**1,716**	1,800
Total current assets		**10,394**	15,399
Non-current assets			
Property, plant and equipment	4	**2,417**	3,519
Investment property	5	**570**	2,541
Capitalised development costs	7	**-**	3,169
Deferred tax assets		**-**	20
Intangible assets	8	**1,300**	16,416
Total non-current assets		**4,287**	25,665
Total assets		**14,681**	41,064
LIABILITIES			
Current liabilities			
Trade and other payables	9	**2,280**	4,626
Deferred income		**792**	1,874
Borrowings	9	**179**	-
Provisions		**2,302**	2,889
Total current liabilities		**5,553**	9,389
Non-current liabilities			
Deferred tax liabilities		**-**	20
Provisions		**1,697**	1,300
Total non-current liabilities		**1,697**	1,320
Total liabilities		**7,250**	10,709
Net assets		**7,431**	30,355
EQUITY			
Contributed equity	10	**108,054**	107,773
Reserves		**106**	106
(Accumulated losses)		**(100,729)**	(77,524)
Total equity		**7,431**	30,355

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2014

	Note	Contributed Equity $'000	Option Reserve $'000	(Accumulated Losses) $'000	Total $'000
Balance at 1 July 2013		107,773	98	(70,637)	37,234
Total comprehensive (loss) for the half year		-	-	(1,187)	(1,187)
Transactions with owners in their capacity as owners:					
Employee share options		-	8	-	8
Balance as at 31 December 2013		107,773	106	(71,825)	36,054
Balance at 1 July 2014		107,773	106	(77,524)	30,355
Total comprehensive (loss) for the half year		-	-	(23,205)	(23,205)
Transactions with owners in their capacity as owners:					
Contribution of equity net of transaction costs		281	-	-	281
Employee share options					
Balance as at 31 December 2014		108,054	106	(100,729)	7,431

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2014

	Note	Half-year 2014 $'000	2013 $'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		**10,744**	43,769
Payments to suppliers and employees (inclusive of GST)		**(14,842)**	(49,002)
Cash generated from operations		**(4,098)**	(5,233)
Interest and other costs of finance paid		**(40)**	(26)
Net cash (outflow) from operating activities		**(4,138)**	(5,259)
Cash flow from investing activities			
Payments for property, plant and equipment		**(58)**	(142)
Proceeds from sale of property, plant and equipment		**151**	493
Payments from / (to) cash held in trust		**(3)**	3,271
Interest received		**36**	82
Net cash inflow from investing activities		**126**	3,704
Cash inflow from financing activities			
Repayment of hire purchase and lease liabilities		**(1)**	(115)
Net cash (outflow) from financing activities		**(1)**	(115)
Net (decrease) in cash and cash equivalents		**(4,013)**	(1,670)
Cash and cash equivalents at beginning of period		**6,544**	4,930
Cash and cash equivalents at the end of the half-year		**2,531**	3,260

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

Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note 1. Basis of preparation of half-year financial report

The general purpose financial report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. Accordingly, the interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Nomad Building Solutions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note 2. Segment information

(a) Segments as reported within the business from 1 July 2014

Following a review within the business, Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board currently consists of three non-executive directors and one executive director.

The Board considers the business from a product perspective and has identified 3 reporting segments. Transportables consist of all centralised manufacturing operations. The Construction division consists of all operations where the majority of the work is in situ construction. Rental consists of assets where the primary income source is rental yield. The Group operates in one geographical area, being Australia.

For the six months ended 31 December:

	Transportables $'000	Construction $'000	Rental $'000	Total $'000
Half-year 2014				
Total Segment Revenue	10,298	-	224	10,522
Inter-segment sales	-	-	(2)	(2)
Segment revenue from external customers	**10,298**	**-**	**222**	**10,520**
Segment EBITDA	(15,902)	-	(5,067)	(20,969)
Segment Assets (at 31 December 2014)	11,430	-	10,434	21,864
Segment Liabilities (at 31 December 2014)	2,819	-	185	3,004
Half-year 2013				
Total Segment Revenue	24,892	-	727	25,619
Intersegment sales	-	-	-	-
Segment revenue from external customers	**24,892**	**-**	**727**	**25,619**
Segment EBITDA	2,129	-	484	2,613
Segment Assets (at 30 June 2014)	27,335	3,169	14,923	45,427
Segment Liabilities (at 30 June 2014)	2,722	-	2,670	5,392

The Board reviews segment performance based on EBITDA. The measure includes all revenues and costs directly attributable to the segment operation.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note. 2 cont...

A reconciliation of EBITDA to operating profit / (loss) before income tax is provided as follows:

	Half-year	
	2014	**2013**
	$'000	**$'000**
Total Segment EBITDA	(20,969)	2,613
Inter Segment eliminations	-	-
Revenue not attributable to operating segments	(36)	99
Interest Revenue	36	66
Finance costs	(41)	(27)
Depreciation and amortisation	(224)	(532)
Consultants and legal expenses	(165)	(154)
Employee benefits expense	(381)	(818)
Other expenses	(244)	(311)
Operating Profit / (loss) before income tax for continuing operations	(22,024)	936

A reconciliation of Segment Assets to total assets is provided as follows:

	Half-year	June
	2014	**2014**
	$'000	**$'000**
Total Segment Assets	21,864	45,427
Inter Segment eliminations	(11,220)	(10,343)
Deferred Tax Assets	-	20
Non-segment Assets	4,037	5,690
Total Assets per Statement of Financial Position	14,681	41,064

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Notes to the consolidated financial statements
For the half-year ended 31 December 2014

A reconciliation of Segment Liabilities to total liabilities is provided as follows:

	Half-year 2014 $'000	June 2014 $'000
Total Segment Liabilities	3,004	5,392
Inter Segment eliminations	(744)	-
Deferred Tax Liabilities	-	20
Non-segment Liabilities	4,990	5,297
Total Liabilities per Statement of Financial Position	7,250	10,709

Note 3. Discontinued operation
In June 2012 the Transportable operations of Nomad Modular Building Pty Ltd were discontinued.
In June 2013 the operations of Rapley Wilkinson were discontinued.
In December 2013 the operations of Nomad Eastern States were discontinued.
Close out of administrative contractual requirements is expected by the end of the 2015 financial year.

	Half-year	
	2014 $'000	2013 $'000
Results of discontinued operations		
Revenue	131	6,269
Expenses	(1,312)	(8,392)
(Loss) before income tax expense	(1,181)	(2,123)
Income tax benefit/(expense)	-	-
Net (loss) for half-year	(1,181)	(2,123)
Gain on sale of assets	-	-
Income tax on gain on closure of discontinued operation	-	
(Loss) for half-year	(1,181)	(2,123)

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note. 3 cont...

	Half-year	
Results of discontinued operations	**2014** **$'000**	**2013** **$'000**
Cash flows (used in) / from discontinued operations		
Net cash from/ (used in) operating activities	50	(2,238)
Net cash from investing activities	-	401
Net cash (used in) / from financing activities	-	
	50	(1,837)

Results of discontinued operations	**Half-year** **2014** **$'000**	**June** **2014** **$'000**
Carrying amounts of assets and liabilities		
Cash and Cash Equivalents	101	52
Receivables	13	30
Inventories	221	95
Property, plant and equipment	1,740	2,277
Other	-	-
Total Assets	2,075	2,454
Payables	120	138
Other	-	-
Provisions	2,595	2,518
Total Liabilities	2,715	2,656
Net Assets / (Liabilities)	(640)	(202)

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Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note 4. Non-current assets – property, plant & equipment

	Hire buildings $'000	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
Year ended 30 June 2014				
Opening net book amount	410	2,704	1,393	4,507
Additions	11	8	175	194
Disposals	(275)	(23)	(487)	(785)
Depreciation charge	(69)	(77)	(251)	(397)
Closing net book amount	**76**	**2,612**	**831**	**3,519**
At 30 June 2014				
Cost or fair value	96	2,718	1,900	4,714
Accumulated depreciation	(20)	(106)	(1,069)	(1,195)
Net book amount	**76**	**2,612**	**831**	**3,519**
Period ended 31 December 2014				
Opening net book amount	76	2,612	831	3,519
Additions	-	-	46	46
Disposals	(63)	(156)	(355)	(574)
Impairments	-	(119)	-	(119)
Assets included in a disposal group Classified as held for sale (note 6)	-	(316)	-	(316)
Depreciation charge	(3)	(33)	(103)	(139)
Closing net book amount	**10**	**1,988**	**419**	**2,417**
At 31 December 2014				
Cost or fair value	19	2,056	861	2,936
Accumulated depreciation	(9)	(67)	(442)	(519)
Net book amount	**10**	**1,988**	**419**	**2,417**

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note 5. Non-current assets – investment property

	Consolidated	
	31 December 2014 $'000	**30 June 2014 $'000**
Opening net book amount	2,541	-
Transfer from / (to) Assets classified as held for sale	-	3,553
Additions	11	30
Depreciation charge	(104)	(1,042)
Impairment	(1,878)	-
Balance	570	2,541

Note 6. Assets Classified as Available for Sale

	Consolidated	
Non-current assets held for sale	**31 December 2014 $'000**	**30 June 2014 $'000**
Opening net book amount	1,800	3,553
Transfer to investment property	-	(3,553)
Additions (note 4)	316	2,357
Impairment	(400)	(557)
Closing net book amount	1,716	1,800

Note 7. Capitalised Development Costs

	Consolidated	
	31 December 2014 $'000	**30 June 2014 $'000**
Opening net book amount	3,169	2,611
Additions	-	558
Impairment	(3,169)	-
Closing net book amount	-	3,169

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note 8. Non-current assets – intangible assets

	Note	Goodwill $'000	Total $'000
Year to 30 June 2014			
Opening net book amount at 1 July 2013		16,416	16,416
Impairment charge		-	-
Closing net book amount at 30 June 2014		16,416	16,416
At 30 June 2014			
Cost or fair value		88,857	88,857
Accumulated amortisation and impairment		(72,441)	(72,441)
Net book amount at 30 June 2014		16,416	16,416
Period 31 December 2014			
Opening net book amount at 1 July 2014		16,416	16,416
Impairment charge		(15,116)	(15,116)
Closing net book amount at 31 December 2014		1,300	1,300
At 31 December 2014			
Cost or fair value		88,857	88,857
Accumulated amortisation and impairment		(87,557)	(87,557)
Net book amount at 31 December 2014		1,300	1,300

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A reportable segment-level summary of the goodwill allocation is presented below:

31 December 2014	**$'000**
Transportables	1,300
Construction	-
	1,300

30 June 2014	**$'000**
Transportables	16,416
Construction	-
	16,416

Note. 8 cont...

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections for a five year period based on financial budgets approved by management for the following five years with a final terminal value adopted.

Testing for impairment of goodwill is carried out on a semi-annual basis or more frequently if events or changes in circumstances indicate that it might be impaired.

(b) Key assumptions used for value-in-use calculations

No growth rate has been assumed in the model, and a decrease in margins have been assumed over the five year period to reflect the pricing pressures in the market and lower AUD rate putting pressure on costs. The discount rate of 16.6% is based on general construction industry rates of return adjusted for a risk premium relating to the Group's current trading performance.

(c) Impact of possible changes in key assumptions

The recoverable amount of the goodwill of McGrath Homes exceeds the carrying amount of goodwill at 31 December 2014. Forecasted margins would have to be least 1.5% lower, or the forecasted revenue decrease by 8%, before the recoverable amount of goodwill would equal the carrying amount of goodwill of $1.3m

(d) Impairment charge

As a result of the above impairment testing process, an impairment charge of $15,116,340 (2013: nil) has been brought to account in the current period as an impairment charge against the Group's Transportables segment.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note 9. Current Borrowings

Borrowings relate to insurance premium funding at 31 December 2014.

Contractual maturities of financial liabilities:

	Less than 6 months $'000	6 – 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives At 31 December 2014						
Trade payables	2,280	-	-	-	2,280	**2,280**
Borrowings (exclude hire purchase liability)	179	-	-	-	179	**179**
Hire Purchase	-	-	-	-	-	-
	2,459	**-**	**-**	**-**	**2,459**	**2,459**
Non-derivatives At 30 June 2014						
Trade Payables	4,626	-	-	-	4,626	**4,626**
Borrowings (exclude hire purchase liability)	-	-	-	-	-	**-**
Hire Purchase	-	-	-	-	-	**-**
	4,626	**-**	**-**	**-**	**4,626**	**4,626**

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Notes to the consolidated financial statements
For the half-year ended 31 December 2014

Note 10. Equity securities issued

	Half-year		Half-year	
	2014 Shares	**2013 Shares**	**2014 $'000**	**2013 $'000**
Issues of ordinary shares during the half-year				
Share Placement	**5,808,088**	-	**281**	-
Rights Issue	**-**	-	**-**	-
Less: Transaction costs arising on share issues	**-**	-	**-**	-
Income tax on transaction costs	**-**	-	**-**	-
Total movement	**5,808,088**	-	**281**	-
Total shares on issue	**283,287,417**	277,479,329	**108,054**	107,773

Note 11. Earnings per share

	Half-year	
	2014 Cents	**2013 Cents**
Basic Earnings / (Loss) per share		
From Continuing Operations	**(7.9)**	0.3
From Discontinued Operations	**(0.4)**	(0.7)
Total Basic (Loss) per share	**(8.3)**	(0.4)
Diluted Earnings / (Loss) per share		
From Continuing Operations	**(7.9)**	0.3
From Discontinued Operations	**(0.4)**	(0.7)
Total Diluted (Loss) per share	**(8.3)**	(0.4)

	Number	**Number**
Weighted average number of shares used as the denominator in calculating basic earnings per share	**279,891,497**	277,479,329
Weighted average number of shares used as the denominator in calculating diluted earnings per share	**279,891,497**	277,479,329

Note 12. Related Parties

2,500,000 shares were issued to Errol Davies at a price of 4.8c per share as a share based payment for a retention bonus paid to Errol. Errol Davies was the General Manager of McGrath Homes, during this period. This transaction was done at arms length.

Note 13. Contingent liabilities

The Group is party to a number of contracts which through the ordinary course of business are now the subject of claims by customers or suppliers. The Group has reviewed these claims and, where appropriate, made provision in the accounts for settlement of the claims. Where the Group does not believe a liability will exist it has not made a provision. If all claims were to be settled at the total claim amount then the amount not provided for is approximately $550,000. (30 June 2014 $3,500,000). A reduction has occurred in the period as a result of issues being settled or otherwise being provided for.

Contingent instruments
The Group had outstanding guarantees to the value of $1,762,925 (30 June 2014: $1,771,437). Bank guarantees are provided in certain contracts as a percentage of the contract sum. Generally, two bank guarantees, each for 2.5% to 5% of the contract sum are provided to:

1) guarantee the performance of contractual terms until practical completion; and
2) as security for defects liability being the 12 month period from the date of practical completion.

A small number of guarantees have also been issued as bonds for leased premises.

There is no liability that should be recognised in relation to these guarantees. In the normal course of trading the guarantees are returned to the bank on meeting the required criteria.

Note 14. Events subsequent to reporting date

On 18 February 2015, Bloomer Constructions (Qld) Pty Ltd ("Bloomer") agreed to be acquired by Nomad for a purchase consideration of up to $10.4m. Total purchase consideration is comprised of:

1. Completion consideration equal to $1.5m cash plus $4.4m in shares, subject to escrow, at $0.05 per share; and

2. Earn out consideration equal to a maximum of $4.5m payable in shares of which $1.5m is at $0.05 per share and $3.0m is at $0.065 per share subject to attainment of attendance and EBIT performance targets, respectively, for the period between completion and FY 2017.

Bloomer is a leading medium-sized private residential and commercial construction company based in Capalaba, Queensland. As at mid February 2015, Bloomer had approximately $158m in work on hand with a further $68m in work won but not yet started. Nomad expects Bloomer to generate EBIT margins of approximately 3.5% and to meet both of its earn out targets. On the basis that these earn out targets are met, the implied acquisition multiple for Bloomer will be approximately 2.6x average annual EBIT. The acquisition of Bloomer is expected to complete, subject to shareholder approval, in April 2015.

Note 15. Rounding of amounts

The Company satisfies the requirements of Class Order 98/100 issued by the Australian Securities and Investments Commission relating to “rounding off” of amounts in the directors’ report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors’ report and financial report in accordance with that Class Order.

In the directors’ opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and accompanying notes, are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Australian accounting standard AASB134:Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements ; and

   (b) giving a true and fair view of the consolidated entity’s financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Heather Gardner
Chief Executive Officer / Managing Director

Brisbane
26 February 2015

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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nomad Building Solutions Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nomad Building Solutions Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nomad Building Solutions Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Nomad Building Solutions Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nomad Building Solutions Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 26 February 2015

Supplementary Appendix 4D Information
For the half-year ended 31 December 2014

ASSETS PER SHARE

	31 December 2014	30 June 2014	31 December 2013
	Cents	Cents	Cents
Net tangible asset backing per ordinary share	2.2	5.0	7.1
Net asset backing per ordinary share	2.7	10.9	13.0

DIVIDENDS

No dividend has been declared in respect of the current half year result.

Date the dividend is payable	N/A
Record date to determine entitlements to the dividend	N/A
Receipt of dividend reinvestment plan notices	N/A

Amount per security		Date Paid or Payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend	Current	N/A	Nil	Nil	Nil
	Previous Year	N/A	Nil	Nil	Nil
Interim dividend	Current year	N/A	Nil	Nil	Nil
	Previous year	N/A	Nil	Nil	Nil