29 September 2015

ASX Limited
Level 40, Central Park
152 – 158 St George's Terrace
Perth WA 6000

ASX ANNOUNCEMENT
NOMAD BUILDING SOLUTIONS LIMITED (NOD)

2015 Annual Report

Dear Sir/Madam

Please see attached the 2015 Annual Report for Nomad Building Solutions Limited.

Yours sincerely,

Oliver Schweizer
Company Secretary

For further information contact:

Heather Gardner
Chief Executive Officer
Nomad Building Solutions Limited
(07) 3668 0730

ANNUAL REPORT

2015

nomad
building solutions limited

SUMMARY OF GROUP ACTIVITIES

Nomad Building Solutions Limited is the parent company of a diversified group of construction, modular manufacturing and property development management businesses operating across Australia.

Our Business units consist of McGrath Modular, Bloomer Constructions and Nomad Properties offering the following services:

- Commercial and residential construction both insitu and modular
- Regional and remote specialists
- Project and Development management

CORE VALUES

- We are determined to deliver investment growth;
- We will drive momentum with responsibility and integrity;
- We are committed to building a culture by helping each and every employee reach their full potential;
- We aim to inspire high performance that allows each of our employees to start the day with a sense of purpose and end it with a sense of achievement;
- We aim to provide a healthy, safe, environmentally protective and quality workplace.

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Chairman's Report

I am pleased to report on a year of solid progress for Nomad Building Solutions Limited **(NBS or Group)** in refocusing our efforts on core brands, strengthening the Group balance sheet and positioning the business for a return to profitability in FY2016.

FY2015 was a transformational year for NBS with the restructuring of McGrath Homes **(McGrath)** and the acquisition of Bloomer Constructions (Qld) Pty Ltd **(BCQ)**. The BCQ business delivers access to the east coast residential and commercial construction markets as well as injecting significant expertise in delivering medium to large scale in-situ residential and commercial projects. This diversification and the ability to cross collaborate within our existing brands will increase commercial opportunities while adding resilience to our business model.

The Board made several key investments in personnel that included the appointment of Heather Gardner as a Director and Group Chief Executive, Wayne Bloomer as a Director and Chief Executive of BCQ, Lachlan McIntosh as a Non-executive Director and Pat McMahon as Chief Financial Officer. In addition, there were numerous senior management appointments throughout the Group which has resulted in renewed enthusiasm and performance. Suffice to say, we have an entirely new team with a demonstrable track record of creating shareholder value.

Management remained focused throughout FY2015 on the closure of loss making businesses and finalising legacy projects. Only two legacy projects remain and these are expected to be completed by November 2015 with all costs provided for in FY2015.

The financial results for 2015 reflect the Boards focus on restructuring. The statutory net loss after tax was $25.4m, including goodwill and asset impairment charges of $21.1m, $2.0m of losses from discontinued operations (down from $6.7m in FY2014) and $1.7m of costs and accounting (or IFRS related) expenses associated with the BCQ acquisition. It is pleasing to note that normalised EBITDA for the second half of the financial year saw a small return to profit of $0.6m reflecting both the acquisition of BCQ and the improved underlying performance of McGrath. Notwithstanding the substantial restructuring the Group had $8.6m of cash on hand (including $2.9m in trust) at 30 June 2015.

The Board is confident the reshaped business provides a solid platform for future profitable growth. We remain committed to utilising the Groups income tax losses of $30.7m and franking credits of $17.8m at the earliest available opportunity.

We are proposing a change of Company name to Onterran at the upcoming AGM. We will retain the Nomad brand at the operating level but the Onterran rebranding reflects the re-emergence of the business, stronger, leaner and more capable with fresh enthusiasm to partner, build, perform and drive shareholder value.

I would like to thank my fellow Board members, management and all NBS staff for their commitment and hard work during a year of substantial change and development for the business. I would also like to thank our shareholders for their continued support.

Peter Constable
Chairman
29 September 2015

Chief Executive Officer's Report

My fellow shareholders, welcome to my first report on the full year operations of NBS, and my first six months in the job.

There was much to do, much to review and overhaul, and certainly many historical distractions, which take from the focus of growing the business. A concentrated effort has been applied to the second half operations and I am pleased to report that we have made exceptional progress in closing out the many legacy items, and simplifying our business.

This report doesn't change the overall loss NBS has reported for the FY2015, what it does show is the valuable, necessary and intense effort management and the Board has gone to, which lays the foundations for strengthening NBS for the future. This controlled and measured approach will go a long way to yielding sustainable results for the future of the Group.

The Group reported a net loss after tax from continuing operations of $23.4m for the 2015 financial year (FY2015). The statutory net loss after tax inclusive of discontinued operations was $25.4m.

Group EBITDA as measured in accordance with International Financial Reporting Standards **(IFRS)** was a loss of $23.9m. This IFRS compliant measure of EBITDA includes asset impairment charges of $20.7m (detailed below). The Groups preferred measure of EBITDA excludes non-cash fixed asset impairment charges as this is considered a better reflection of the underlying business performance. A reconciliation of IFRS compliant EBITDA to non-IFRS complaint EBITDA is as follows.

	Continuing Operations $m	**Discontinued Operations $m**	**Total $m**
Statutory IFRS compliant EBITDA	**(21.9)**	**(2.0)**	**(23.9)**
Add-back:			
Goodwill impairment (McGrath)	15.1	-	15.1
Leasehold development cost impairment (Nomad Properties)	3.2	-	3.2
Investment property impairment (Nomad Properties)	1.9	-	1.9
Asset impairments, discontinued entities	-	0.5	0.5
Non IFRS compliant EBITDA	**(1.7)**	**(1.5)**	**(3.2)**

FY2015 EBITDA from continuing operations including corporate costs was a loss of $1.7m on revenue of $80.3m. EBITDA, including discontinued operations, for the Group was a loss of $3.2m.

	FY2015 Results: $m		
	Continuing Operations	**Discontinued Operations**	**Total**
Revenue	80.3	0.1	80.4
EBITDA (non IFRS) 1	(1.7)	(1.5)	(3.2)
EBIT	(23.3)	(2.0)	(25.3)
Net Loss After Tax	(23.4)	(2.0)	(25.4)

Chief Executive Officer's Report (continued)

Operating Results

The table below has been prepared to clearly differentiate the operating performance of the ongoing businesses of NBS from the discontinued business units.

	FY2015 $m	FY2014 $m	Change %
Revenue			
BCQ	58.0	0.0	
McGrath	21.8	36.7	(40.5%)
Rental Business	0.5	1.1	(62.7%)
Corporate & Other	0.0	0.1	(50.8%)
Continuing Operations Revenue	**80.3**	**37.9**	**111.8%**
Nomad Modular WA (discontinued)	0.0	0.0	
Rapley (discontinued)	0.1	0.7	
Nomad Eastern States (discontinued)	0.0	5.8	
Other (discontinued)	0.0	0.0	
Total Reported Revenue	**80.3**	**44.4**	**81.0%**
EBITDA (non IFRS) [1]			
BCQ	1.6		
McGrath	(0.3)	2.6	(112.6%)
Rental Business	(0.0)	0.4	(112.2%)
Corporate & Other	(3.0)	(2.1)	43.3%
Continuing Operations EBITDA	**(1.7)**	**0.9**	**(294.4%)**
Nomad Modular WA (discontinued)	(0.8)	(1.1)	
Rapley (discontinued)	0.1	(1.1)	
Nomad Eastern States (discontinued)	(0.7)	(4.5)	
Other (discontinued)	0.0	0.0	
Group EBITDA (non IFRS) [1]	**(3.2)**	**(5.8)**	**(44.6%)**

[1] Refer to reconciliation to IFRS EBITDA on page 6

The key aspects of the results as per the table above include:

- Revenue from continuing operations of $80.3m, up 112% compared FY2014.
- The acquisition of BCQ, whose results were included with those of the consolidated Group from 1 March 2015 contributed $58.0m of revenue and $1.6m to EBITDA.
- Despite the headline $0.3m full year EBITDA loss from McGrath, this business traded profitably for the second half of the financial year delivering EBITDA of $0.4m in H2 FY2015.
- Corporate costs grew 43% year on year. However, this included $0.9m of costs associated with the acquisition of BCQ in FY2015. Excluding these, corporate costs were flat compared to FY2014.
- The Nomad Rental business breakeven EBITDA result reflects the mining downturn in WA. We continue to explore strategic alternatives for this business.
- Much reduced non IFRS EBITDA loss from discontinued operations ($1.5m) compared ($6.7m) in FY2014.

Chief Executive Officer's Report (continued)

Normalised Net Loss & EBITDA

Normalised net loss after tax from continuing operations excluding unusual items (costs and fees in relation to acquisition related activities and goodwill/asset impairments – detailed below) was $1.5m.

	Continuing Operations $m	Discontinued Operations $m	Total $m
Statutory IFRS loss (net of tax) attributable to members	**(23.4)**	**(2.0)**	**(25.4)**
Unusual Items			
Add-back:			
IFRS charges in relation to BCQ acquisition	1.2	-	1.2
Professional costs in relation to BCQ acquisition	0.5	-	0.5
Goodwill impairment (McGrath)	15.1	-	15.1
Leasehold development cost impairment (Nomad Properties)	3.2	-	3.2
Investment property impairment (Nomad Properties)	1.9	-	1.9
Asset impairments, discontinued entities	-	0.5	0.5
WIP write off, discontinued entities	-	0.6	0.6
Normalised non IFRS loss (net of tax) attributable to members	**(1.5)**	**(0.9)**	**(2.4)**
Add-back:			
Depreciation	0.6	-	0.6
Finance Costs	0.1	-	0.1
Normalised EBITDA (non IFRS)	**(0.8)**	**(0.9)**	**(1.7)**

Normalised EBITDA (non IFRS) from continuing operations for the year ended 30 June 2015 was a loss of $0.8m. The Board are pleased to note that normalised EBITDA from continuing operations for the second half of the financial year was a profit of $0.6m reflecting not just the acquisition of BCQ but also a nascent recovery in trading at McGrath Modular.

Review of Operations

BCQ

The acquisition of BCQ was completed on 4 May 2015. BCQ contributed revenue of $58.0m and EBITDA of $1.6m for the period 1 March 2015 to 30 June 2015.

BCQ currently has approximately $200m of work in hand and work won but not yet commenced as at 16 September 2015 (compared with $158m of work in hand and $68m of work won but not yet commenced as at 18 February 2015). BCQ is currently on track to exceed the EBIT earn-out target of at least $8m in combined EBIT for FY2016 and FY2017.

Since the completion of the BCQ acquisition, the company has won or been awarded the following significant projects:

- Design and construct 88 units, Wooloongabba, QLD $21.3m
- Upgrade and extension of shopping mall, Beenleigh, QLD $12.9m
- Construction of 39 townhouses, Mount Coolum, QLD $7.1m
- Construction of 38 townhouses, Albany Creek, QLD $6.9m
- Construction of 31 apartments, Lutwyche, Brisbane $6.0m

Chief Executive Officer's Report (continued)

Review of Operations (Continued)

The NBS Board continues to be very pleased with the BCQ acquisition and impressed by the consistent award of quality medium and large scale projects contributing to a growing pipeline of opportunities. BCQ is expected to generate FY2016 revenues in excess of $156m while leveraging group-wide expertise and Board relationships to pursue value enhancing projects and development opportunities

<u>McGrath Modular</u>

McGrath revenue for the FY2015 of $21.8m includes $14.1m of private residential and $7.7m from commercial projects. Private residential sales for the year have been consistent despite continuing poor sentiment affecting investment in regional areas exposed to mining and mining services. Revenue for other commercial projects is below expectations, primarily as a result of subdued commercial activity within the resources sector.

The FY16 outlook for McGrath remains similar for the private residential sector with a pick-up expected in the commercial sector following a concerted strategy of pursuing commercial opportunities both outside and within the resources sector. As announced on August 21st the $25.0m sub-contract win for 50 modular homes in Onslow WA underpins our outlook for a return to full year profitability in the coming financial year. The commercial projects pipeline includes opportunities in the hospitality, education and affordable government housing sectors including multistorey modular unit developments.

<u>Nomad Rental</u>

The occupancy of King Village (the 56 room accommodation facility in Karratha) by quarter for FY2015 from Q1 to Q4 respectively has been 27%, 57%, 49% and 30%. Based on lower historical occupancy and room rates an impairment charge of $1.9m was booked in this business in the first half of FY2015.

Full year EBITDA (non IFRS) was breakeven. The business is likely to see an improvement in trading in the 2016 financial year due to a reduction in the stock of transient worker accommodation in Karratha following the closure of one of the areas larger facilities. The occupancy rates for July and August 2015 were 58% and 69% respectively.

Due to its non-core nature management is in currently in discussions with the operator of King Village and third parties in regard to strategic alternatives for this asset.

During the course of FY2015 non-cash impairment charges of $1.9m and $3.2m were booked against the carrying values of King Village and the South Hedland development site respectively. The lease of this development site from WA Land's Department expires in September 2015 and due to the lack of suitable development opportunities the Board has decided to let the option to purchase for $3.7m lapse. There will be no costs related to the South Hedland site in FY2016.

<u>Corporate</u>

The NBS Corporate function contributed an EBITDA (non IFRS) loss to the Group for FY2015 of $3.0m. Excluding professional fees and non-cash accounting charges relating to the acquisition of BCQ the normalised FY2015 Corporate function EBITDA (non IFRS) loss was $2.1m. Corporate costs in FY2015 include $0.2m in business development costs as we seek to grow the Nomad brand in far north Queensland and the Northern Territory. Rebranding costs of $0.2m were also incurred at the corporate level.

Corporate costs in FY2016 are budgeted to be no higher than the normalised $2.1m in FY2015.

Chief Executive Officer's Report (continued)

Discontinued Operations and Other Issues

Nomad Eastern States

All Nomad Eastern States jobs are complete and the premises at Wacol sub leased. Since the year end Nomad Eastern States has secured an extension to the sub-lease agreement to February 2019 in line with the head-lease albeit for a lesser annual rental of $700,000 plus outgoings. This does however significantly mitigate the total cash outflow over the full term of the lease.

Nomad Eastern States' two properties in Roma Queensland are proving challenging to sell. An impairment charge of $118,000 was booked against these properties during FY2015 reflecting a reassessment of their fair market value. We continue to actively seek buyers.

Nomad Eastern States incurred an EBITDA (non IFRS) loss of $0.7m primarily reflecting the adjustment of the onerous lease provision in line with the terms of the new sublease.

Rapley

Rapley is undertaking no new work. Some defect liability work, provided for in the FY2014 result, remains to be completed in the first half of FY2016. Rapley owns 5 units held for sale in Derby, WA. During FY2015 an impairment charge of $0.4m was booked against the value of these assets. A specialist property consultant is currently marketing these assets for sale and it is pleasing to note that the contracts for the sale of two of the units for their approximate book value have gone unconditional in September 2015. We are confident that the remaining units are correctly priced and will sell in FY2016.

The FY2015 result for Rapley was an EBITDA (non IFRS) profit of $0.1m reflecting the rental income from the 5 Derby units

Nomad Modular

One Nomad Modular project remains to be closed. It was expected that this project would have been completed by this time however progress has been delayed due to difficulties in achieving closure with the clients in relation to back-charges and variations and dealing with a complex insurance claim. These matters are now agreed and we expect this job to be closed by November 2015.

Nomad Modular incurred an EBITDA (non IFRS) loss of $0.8m in FY2015 but is not expected to have any material impact on the results of the consolidated Group in FY2016.

Looking Forward

The NBS Group pipeline for FY2016 currently includes a number of large scale commercial projects. Based on the current pipeline of opportunities within the various NBS divisions along with BCQ's work in hand, the NBS Board anticipates Group revenue to be in excess of $200m for FY2016. Further, the Board is targeting Group EBIT margins of 3-5% for FY2016.

Year to date FY2016 (July/August) unaudited normalised EBIT (excludes IFRS BCQ non-cash acquisition expense) is $704,000.

The past year has been re-invigorating for NBS. I would like to thank the Chairman, my fellow directors and senior management for their support and commitment throughout the year. I would like to acknowledge and thank all employees for their hard work and dedication and welcome the management and staff of BCQ to the NBS Group. The enlarged group is well positioned to capitalise on suitable opportunities in FY2016 and beyond.

Heather Gardner
Chief Executive Officer
29 September 2015

Director’s Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Nomad Building Solutions Limited (Company) and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The directors of Nomad Building Solutions Ltd in office at any time during or since the end of the full year are:

Mr Peter Constable	***Non-Executive Chairman (appointed 19 April 2015)*** ***Non-Executive Director (1 July 2014 to 19 April 2015)***

Experience and expertise
Peter Constable was appointed to the Board in August 2012. Peter is Executive Chairman of Ryder Capital Limited and a Director of investment manager Ryder Investment Management Pty Ltd. Peter has over 20 years’ experience in investment markets and has previously served on the boards of a number of ASX listed companies. Prior to establishing Ryder Investment Management Pty Ltd in June 2008, Peter was an Executive Director of MMC Contrarian Limited, an ASX listed investment company. Peter holds a Bachelor of Economics degree from Macquarie University, Sydney and began his career in London working for the United Bank of Kuwait.

Other current directorships (of listed entities)
Ryder Capital Limited

Former directorships in the last 3 years
None

Interest in shares and options
Mr Constable has a direct interest in 19,155,000 shares in the Company. Together with his associate director Mr David Bottomley, Mr Constable has an interest in 34,180,000 shares in the Company.

Special responsibilities
- Member of the Audit and Risk Management Committee;
- Chairman of the Nomination and Remuneration Committee.

Mr Lachlan McIntosh	***Non-Executive Director (appointed 3 October 2014)***

Experience and expertise
Lachlan McIntosh has a Bachelor of Commerce degree and is a Member of the Institute of Chartered Accountants in Australia. He specialises in corporate finance and mergers and acquisitions. He has had substantial experience in the real estate and retirement accommodation industries along with significant experience in the franchising industry and mining services industries. Lachlan is currently a director of ASX listed Eureka Group Holdings Limited and is a Senior Managing Director of New York Stock Exchange listed FTI Consulting Inc.

Other current directorships (of listed entities)
Eureka Group Holdings Limited

Former directorships in the last 3 years
Industrea Ltd (May 2004 to December 2012)

New Guinea Gold Corporation (April 2013 to April 2014)

Interest in shares and options
Mr McIntosh has an interest in 4,500,000 shares in the Company.

Special responsibilities
- Chairman of the Audit and Risk Management Committee (appointed 19 April 2015);
- Member of the Nomination and Remuneration Committee (appointed 19 April 2015).

Director’s Report (continued)

Ms Heather Gardner — ***Executive Director (Chief Executive Officer) (appointed 10 November 2014)***

Experience and expertise
Heather Gardner holds a Masters in Business Administration from James Cook University Brisbane and is a member of the Australian Institute of Company Directors, Fellow of the International Institute of Directors and Managers and a Certified CEO. Heather has over 30 years’ experience in commercial and residential construction and development throughout Australia.

Prior to joining Nomad in November 2014, Heather was a Senior Executive and Director of various entities with in the FK Gardner Group of companies. FK Gardner is one of Queensland’s largest privately owned construction and infrastructure companies, where Heather was primarily focused on business development and strategy delivery.

Other current directorships (of listed entities)
None

Former directorships in the last 3 years
None

Interest in shares and options
Ms Gardner has an interest in 13,189,981 shares and 15,000,000 options in the Company.

Special responsibilities
None

Mr Wayne Bloomer — ***Executive Director (Chief Executive Officer - BCQ) (appointed 4 May 2015)***

Experience and expertise
Wayne Bloomer has over 35 years’ experience in the Australian construction industry and joined the Board of Nomad in May 2015 following Nomads acquisition of BCQ. Wayne founded BCQ in 1983 operating across the domestic, commercial and mining sectors in Queensland, NSW, Victoria and Western Australia.

Other current directorships (of listed entities)
None

Former directorships in the last 3 years
None

Interest in shares and options
Mr Bloomer has an interest in 88,000,000 shares in the Company.

Special responsibilities
None

Director’s Report (continued)

Mr David Bottomley ***Alternate Director to Mr Peter Constable***

Experience and expertise
David Bottomley is principal and founder of Ryder Investment Management Pty Ltd. Mr. Bottomley has had significant experience in originating and executing M&A advisory and equity capital markets transactions in Australia, the UK and Europe. He has previously held executive positions within Kleinwort Benson, Merrill Lynch & Co and was Managing Director, Australia of the US investment bank GMCG, LLC from 2004 until June 2008.

Mr Bottomley holds a BA (Economic History), LLB (Honours), was admitted to practice as a solicitor in NSW along with the Federal and High Court of Australia in 1996 and is a Fellow of the Financial Services Institute of Australasia

Other current directorships (of listed entities)
Ryder Capital Limited

Former directorships in the last 3 years
None.

Interest in shares and options
Mr Bottomley has a direct interest in 15,025,000 shares in the Company. Together with his associate director Mr Peter Constable, Mr Bottomley has an interest in 34,180,000 shares in the Company.

Special responsibilities
- Alternate Director to Peter Constable.

Mr David Franklyn ***Non-Executive Chairman (resigned 19 April 2015)***

Experience and expertise
David Franklyn holds an Economics degree from the University of Western Australia and has completed the Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia, now FINSIA.

Mr Franklyn has been involved in the financial services industry for over twenty years. He has extensive experience in the financial analysis of companies, funds management, corporate finance, business management and investor relations. His previous roles include being Head of Research for a national stockbroker and General Manager Corporate Communications for an ASX 200 company.

Special responsibilities
- Chairman of the Nomination and Remuneration Committee.

Mr Andrew Sturcke ***Managing Director (resigned 7 November 2014)***

Experience and expertise
Andrew Sturcke is a qualified CPA and has in excess of 25 years’ experience in accounting, finance and commercial roles within engineering and construction, contracting services and resources industries. Mr Sturcke has previously been employed as General Manager Finance and Administration – Mining Services Division for BIS Industrial Logistics, Financial Controller for Burns and Worley and General Manager Finance and Administration WA for the United Group.

Director’s Report (continued)

Mr Peter Hogan — ***Non-Executive Director. (resigned 31 July 2014)***

Experience and expertise
Peter Hogan has extensive local and international experience having worked offshore in locations including Israel, the United Kingdom and India in a variety of Executive and Project Management roles with British listed entity Hanson Plc, formerly Pioneer International Ltd. Recent positions include Managing Director for Valmont Australia's industrial coatings business, an organisation listed on the New York Stock Exchange, Chief Operating Officer for Austal Ltd and Divisional General Manager of the building materials group Boral Ltd, where he spent seven years. Mr Hogan graduated with a distinction in Applied Science and Mathematics from the Queensland University of Technology.

Mr Oliver Schweizer — ***Company Secretary (appointed 30 October 2014)***

Experience and expertise
Oliver Schweizer has a Bachelor of Economics degree and is a Chartered Financial Analyst. Oliver has over 15 years’ experience in commercial accounting, finance, investments and listed entities.

Meetings of Directors

The number of meetings of the Company’s Board of directors and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director was as follows:

	Full meetings of Board		Audit and Risk Management		Nomination and Remuneration	
	A	**B**	**A**	**B**	**A**	**B**
P C Constable	13	13	4	4	-	-
L S McIntosh	5	10	-	-	-	-
H A Gardner	8	8	*	*	*	*
W N Bloomer	3	3	*	*	*	*
D Bottomley	2	13	*	*	*	*
D J Franklyn	9	10	4	4	-	-
P J Hogan	1	1	*	*	*	*
A J Sturcke	5	5	2	2	*	*

A = Number of meetings attended.
B = Number of meetings held during the time the director held office or was a member of the Committee.
* = Not a member of the relevant Committee.

Due to the degree of change within the Board membership and senior management team there were no meetings on the Nomination and Remuneration Committee in FY2015. Decisions normally taken by the Nomination and Remuneration Committee were addressed by the full Board in FY2015 with any affected directors excusing themselves from the process.

Director's Report (continued)

Principal activities and review of operations

During the year the principal activities of the Group consisted of:

- commercial and residential construction and property development management; and
- the manufacture of modular transportable buildings, and associated project management and installation; and
- rental of accommodation assets.

Review of operations

The Group reported a net loss after income tax of $23.4m from continuing operations for the year ended 30 June 2015.

After allowing for an after tax loss from discontinued operations of $2.0m, the statutory net loss after tax for the year ended 30 June 2015 was $25.4m.

Summary of Results from Continuing Operations

	FY 2015 $m	FY 2014 $m	Change %
Continuing Operations			
Revenue	80.3	37.9	112%
EBITDA (non IFRS compliant) [1]	(1.7)	0.9	(289%)
EBIT	(23.3)	(0.1)	(23200%)
Net Loss After Tax	(23.4)	(0.2)	11600%
Cash Flow From Operations	(5.3)	(3.6)	(47%)
Earnings Per Share	(7.6)	(0.1)	7500%

[1] Refer to reconciliation to IFRS EBITDA on page 6

Excluded from cash flow from operations above is $3.7m of cash acquired on the acquisition of BCQ. This represents cash generated from the pre-acquisition operating activities of BCQ. Post-acquisition this cash has been utilised in the operating activities of BCQ.

The Group had cash on hand of $8.6m (2014: cash on hand of $8.3m) inclusive of $2.9m of cash held in trust.

More detailed commentary on the operations of the business during the year ended 30 June 2015 can be found in the Chief Executives Officers Report.

Director’s Report (continued)

Dividends – Nomad Building Solutions Limited

Dividends paid to members during the financial year were as follows:

	2015 $’000	2014 $’000
Final ordinary dividend for the year ended 30 June 2015 of nil (2014: nil) per fully paid share	-	-
	-	-

No dividend has been declared since the end of financial year.

Significant events after the reporting date

On 21 August 2015, the Company announced that its McGrath Modular business had secured a significant subcontract valued at $25m for the delivery of 50 modular houses in Onslow, approximately 1,370kms north of Perth.

During August 2015 McGrath Modular secured a $750,000 trade finance facility with National Australia Bank. The facility is secured by a general security interest over the assets of the Group. The facility was fully drawn down during August 2015.

Since 30 June 2015, Nomad has re-entered into an agreement for the sublease of its leased property in Wacol Brisbane. The sublease, which expired on 30 June 2015 has been extended to February 2019 in line with the head-lease and is for an annual rental of $700,000 plus outgoings.

No other matters or circumstances have arisen since 30 June 2015 that has significantly affected:

(a) the Group’s operations in future financial years;

(b) the results of those operations in future financial years; or

(c) the Group’s state of affairs in future financial years.

Future developments

Other than as referred to in the Chairman’s Report and Chief Executive Officer’s Report further information as to likely developments in the operations of the Group and the expected results of those operations would, in the opinion of the Directors be speculative.

Environmental regulation

The protection of the environment is an extremely important aspect within the Group’s operations and a necessary element of good corporate citizenship.

The Group is committed to implementing and maintaining sound environmental management systems, to ensure the continual improvement of environmental performance. The Group’s environmental management system will operate to maintain a formalised method of control and minimise the environmental impact of all of the Group’s activities.

Director’s Report (continued)

The Group’s environmental objectives, within the bounds dictated by regulatory compliance, are to:

- Establish and maintain environmentally responsible waste management and waste disposal;
- Improve the efficiency of energy use;
- Minimise harm to flora and fauna;
- Store all materials in a manner that reduces their potential release to the atmosphere, soil or water;
- Reduce the potential for environmental harm in emergency situations by responding effectively to any emergency using trained personnel and formalised emergency plans;
- Ensure that subcontractors and suppliers conform to relevant requirements of our environmental management system;
- Promote the adoption of sound environmental practices by all personnel through the improvement of overall environmental awareness.

The Group will continue to provide the resources required to achieve effective environmental management, and by doing so, give both the Group’s clients and the community an assurance of their sound environmental performance.

National Greenhouse and Energy Reporting Act (NGER)
The Group continues to monitor legislative developments and energy usage to ensure it complies with the requirements of the Act. The Group is currently not registered under the Act.

Director's Report (continued)

Remuneration Report (Audited)

The Remuneration Report is set out under the following main headings:

(a) Principles used to determine the nature and amount of remuneration.
(b) Details of remuneration.
(c) Service agreements.
(d) Share based compensation.
(e) Additional information.

This audited Remuneration Report for the year ended 30 June 2015 outlines the remuneration arrangements of the Consolidated Group in accordance with Section 300A of the Corporations Act 2001 (Cth) and its regulations. This information has been audited as required by Section 308(3C) of the Corporations Act 2001 (Cth). The Remuneration Report details the remuneration arrangements for the Consolidated Group's key management personnel (KMP) during the financial year ended 30 June 2015.

A. Principles used to determine the nature and amount of remuneration

The remuneration governing principles are set by the Board of the Company and are administered by the Remuneration and Nomination Committee, taking the required advice, input and recommendations from external surveys, management and external independent consultants.

The Group's remuneration structure takes the following into account:

- the capability and experience of the directors and senior executives;
- the senior executives' ability to control the relevant division's performance;
- the Group's performance including:
  - the Group's earnings; and
  - the growth in share price and returns on shareholder investment;
- the amount of incentives (if any) within each director's and senior executive's remuneration; and
- the complexity and challenges of particular roles.

Remuneration levels are competitively set to attract qualified and experienced directors and Key Management Personnel and are reviewed on an annual basis. The Group currently has in place a three tiered remuneration approach, the elements of which are:

- an annual fixed remuneration package;
- short-term variable incentives in the form of bonuses; and
- long-term incentives in the form of a share option scheme for certain senior executives, the details of which are included in this Report.

When considering such incentives, the Board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- individual circumstances;
- transparency; and
- capital management.

The Group puts in place short-term and long-term incentive plans for other senior executives that are formulated around the same principles outlined above. The Group's overall remuneration framework provides a blend of fixed and variable pay and of short and long term incentives.

Remuneration Report (Audited)

Use of Remuneration Consultants

During the 2015 and 2014 financial years, no remuneration recommendations, as defined by the *Corporations Act 2001 (Cth,)* were provided by remuneration consultants.

Voting of shareholders at last year's annual general meeting

The Company received more than 90% of 'yes' votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Directors

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of the directors. Non-executive directors' fees are reviewed annually by the Board. When setting fees and other compensation for non-executive directors, the Board takes independent advice and applies Australian benchmarks. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Non-executive directors currently do not receive share options or shares as part of their remuneration.

Directors' fees

The current remuneration, of $20,000, including superannuation, was reviewed with effect from 01 October 2014, a downward revision from $50,000. There was also a downward revision of the Chairman's remuneration from $70,000 to $20,000 on 01 October 2014. Directors' fees are inclusive of committee fees.

The current maximum aggregate remuneration of non-executive directors is $400,000 per annum. There are no plans to increase the maximum aggregate remuneration within the next financial year.

Directors are also entitled to be reimbursed for all Consolidated Group business related expenses, including travel on Consolidated Group business, as may be incurred in the discharge of their duties.

The remuneration paid to each director is detailed later in this Remuneration Report.

Payment for extra services

A director called upon to perform extra services or undertake any executive or other work for the Group beyond his or her general duties, may be remunerated either by a fixed sum or a salary as determined by the Board. This is normally in addition to the director's usual remuneration provided. However depending on the nature and term of a non-executive director taking over an executive role, a director may, with the approval of the Nomination and Remuneration Committee have their fixed fees suspended and replaced with a salary or other fixed sum.

Effect of cessation of office

Under the Company's Constitution, with the approval of the Company in a general meeting, the directors may, upon a director ceasing to hold office or at any time after a director ceases to hold office whether by retirement or otherwise, pay to the former director or, in the case of death any of the legal personal representatives or dependents of the former director, a lump sum in respect of past services of the director of an amount not exceeding the amount either permitted by the Corporations Act 2001 or the ASX Listing Rules.

The Company may contract with any director to secure payment of the lump sum to the director, his or her legal personal representatives or dependants or any of them, unless prohibited by the Corporations Act 2001 or the ASX Listing Rules.

Financial benefit

A director must ensure that the requirements of the *Corporations Act 2001* are complied with in relation to any financial benefit given by the Company to the director or to any other related party of the director.

The Company must not make loans to directors or provide guarantees or security for obligations undertaken by directors except as may be permitted by the *Corporations Act 2001.*

Director's Report (continued)
Remuneration Report (Audited)

Executives
Executive pay

Executive remuneration and reward framework consists of the following components:

- base pay and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives through participation in a Nomad Building Solutions Long-term Incentive Plan.

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

Base pay

Remuneration is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure that each executive's pay is competitive to the market. An executive's pay is also reviewed on promotion.

There is no guaranteed base pay increases included in any executive's employment agreement.

Benefits

Executives, as part of their remuneration package, may receive benefits such as a car allowance or a fully maintained motor vehicle and a motor vehicle fuel card.

Superannuation

Retirement benefits are delivered as required under the Australian superannuation guarantee legislation.

Short-term incentives

Executives are eligible for short-term cash incentive (bonus) payments based on percentages of their fixed annual remuneration base salary. Bonus payments are predominantly determined by measuring performance against criteria including the overall Group and individual Divisions achieving prescribed financial and occupational health and safety targets, and the executive meeting personal key performance indicators set at the beginning of the year. The payment of the short-term incentive is at the discretion of the Board which considers the performance of the Group, whether value has been created for shareholders, that profit is consistent with the business plan and the executive's contribution to the business. The level of incentive is designated for each executive based on their ability to impact the Group's performance. Cash incentives are determined based on financial years and are payable on or about 30 September of the following financial year, after the year's financial results have been audited and approved by the Board.

Long-term incentives

Long-term incentives are available to executives via a Nomad Building Solutions Long-term Incentive Plan, see Part D of this Remuneration Report for further information.

Specific details relating to the terms and conditions of employment for each executive director are also set out below.

Director’s Report (continued)
Remuneration Report (Audited)

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Nomad Building Solutions Limited and the Group are set out in the following tables.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Consolidated Group, directly or indirectly, including any Director (whether executive or otherwise) of the Consolidated Group and other designated senior executives. KMP comprise the Chief Executive Officer and her direct management reports (collectively the executive KMP) and the Non-Executive Directors of the Company.

KMP	Position	Period as KMP
Peter Constable	Non-Executive Chairman	Commenced April 2015
	Director – Non-Executive	July 2014 to April 2015
Lachlan McIntosh	Director – Non-Executive	Commenced October 2014
David Bottomley	Alternate Director – Non-Executive	All financial year
Heather Gardner	Director – Chief Executive Officer	Commenced November 2014
Wayne Bloomer	Director – Chief Executive Officer BCQ	Commenced May 2015
Patrick McMahon	Chief Financial Officer	Commenced March 2015
Ian Ginbey	General Manager McGrath Homes	Commenced December 2014
David Franklyn	Non-Executive Chairman	Ceased April 2015
Peter Hogan	Director – Non-Executive	Ceased July 2014
Andrew Sturcke	Director - Managing Director	Ceased November 2014
Errol Davies	General Manager McGrath Homes	Ceased December 2014

Director's Report (continued)

Remuneration Report (Audited)

The following table provides the details of all directors of the Company and the key management personnel of the Group with authority and the nature and amount of the elements of their remuneration for the year ended 30 June 2015:

2015	Short-term benefits				Post-employment benefits	Share-based payments		Total
	Cash salary and fees $	Cash bonus $	Other [7] $	Termination benefits $	Superannuation $	Options $	Shares $	$
Non-Executive Directors								
Current								
P C Constable	24,762	-	-	-	2,355	-	-	27,117
D Bottomley	-	-	-	-	-	-	-	-
L S McIntosh	14,500	-	-	-	-	-	-	14,500
Former								
D J Franklyn [1]	26,519	-	-	-	2,522	-	-	29,041
P J Hogan [2]	3,805	-	-	-	361	-	-	4,166
Sub-total Non-Executive Directors	**69,586**	**-**	**-**	**-**	**5,238**	**-**	**-**	**74,824**
Executive Directors								
H A Gardner [3]	179,604	-	-	-	17,062	45,155	50,000	291,821
W N Bloomer [4]	84,536	-	-	-	7,766	-	127,000	219,302
Former								
A J Sturcke [5]	109,389	50,000	-	53,003	10,392	-	-	222,784
Other key management personnel								
Current								
P V McMahon	43,250	-	-	-	4,109	-	-	47,359
I Ginbey	202,236	-	15,000*	-	17,349	-	-	234,585
Former								
E P Davies [6]	147,680	-	104,154*	-	13,154	-	120,000	384,988
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	836,281	50,000	119,154	53,003	75,070	45,155	297,000	1,475,663

1. D J Franklyn was non-executive Chairman until his resignation from the Board on 19 April 2015.
2. P J Hogan resigned from the Board on 31 July 2014. He received a termination benefit as part of his contract. This was accrued for in FY2014.
3. Under the terms of her employment contract Heather Gardner was issued with 5,000,000 shares partly paid to $0.01 ($50,000) per share with $0.04 per share remaining unpaid upon issue. At 30 June 2015 the unpaid amount per share had not been called by the Company. Refer to Section D of this Remuneration Report – option information.
4. Wayne Bloomer entered into an executive employment agreement with the Company for a term of five years pursuant to the BCQ purchase & sale agreement. The Group has agreed to issue the vendor 30,000,000 ordinary shares at a deemed issue price of $0.05 cents conditional upon Wayne Bloomer continuing to be employed under that agreement on 30 June 2017 and Wayne Bloomer not having given notice of termination of that agreement. The Company has determined the fair value of the equity settled transaction to be $1,650,000 based upon the listed share price of the Company on the date Wayne Bloomer signed the employment agreement. This expense will be accumulated over the vesting period in an equity reserve with a corresponding charge in other comprehensive income for the services rendered. The share based payment expense for the period ended 30 June 2015 was $127,000.
5. A J Sturcke resigned from the Board on 7 November 2014. He received a termination benefit as part of his contract. A bonus of $50,000 was paid as part of his service agreement.
6. E P Davies was General Manager of McGrath Homes until his resignation on 12 December 2014. Other short term benefits represents payment of long service leave entitlements. During the period he was paid a retention bonus ($120,000) in the form of 2,500,000 NBS shares at $0.048 each.
7. Other Short-term benefits comprises payment to I Ginbey for use of his Builder's Registration License

Director's Report (continued)
Remuneration Report (Audited)

The following table provides the details of all directors of the Company and the key management personnel of the Group with authority and the nature and amount of the elements of their remuneration for the year ended 30 June 2014:

2014	Short-term benefits					Post-employment benefits	Share-based payments	Total
	Cash salary & fees	Cash bonus	Other[6]	Non-monetary benefits	Termination benefits	Superannuation	Options	
	$	$	$	$	$	$	$	$
Non-executive directors								
Current								
D J Franklyn	56,445	-	-	-	-	5,221	-	61,667
P C Constable	45,767	-	-	-	-	4,233	-	50,000
D Bottomley	-	-	-	-	-	-	-	-
P J Hogan (from 01 Dec 2013) [1]	26,697	-	-	-	-	2,469	-	29,166
Former								
P G Abery [2]	34,325	-	417	-	-	3,175	-	37,917
Sub-total non-Executive directors	**163,234**	**-**	**417**	**-**	**-**	**15,098**	**-**	**178,749**
Executive directors								
A J Sturcke (from 01 Dec 2013) [3]	318,894	50,000	-	-	-	24,456	15,142	408,492
Former								
P J Hogan [1]	162,962	-	-	4,314	115,214	12,500	(115,558)	179,432
Other key management personnel								
Current								
E P Davies [4]	300,000	120,000	15,000	-	-	27,750	15,142	477,892
Former								
R Gibson [5]	129,096	37,666	13,558	12,459	184,863	26,327	-	403,969
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	**1,074,186**	**207,666**	**28,975**	**16,773**	**300,077**	**106,132**	**(85,274)**	**1,648,535**

1. P J Hogan was Managing Director from 01 July 2013 until 30 November 2013 when he reverted to the role of non- executive director. He resigned from the board on 31 July 2014. He received a termination benefit as part of his contract.
2. P G Abery was a non-executive Director until his resignation on 30 November 2013.
3. A J Sturcke was Chief Financial Officer from 01 July 2013 until 01 December 2013 when he was appointed to the role of Managing Director. He received a performance bonus as part of his contract.
4. E Davies was General Manager of McGrath Homes. He received a retention bonus as part of his contract.
5. R Gibson was General Manager of Nomad Eastern States until his redundancy on 15 January 2014. He received a retention bonus and termination benefit on termination as part of his contract.
6. Other Short-term Benefits comprises payments to E Davies for use of his Builder's Registration License, R Gibson & PG Abery car allowance

Director’s Report (continued)
Remuneration Report (Audited)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2015	2014	**2015**	2014	**2015**	2014
Executive Directors						
H A Gardner	**100%**	n/a	**-**	n/a	**-**	n/a
W N Bloomer	**100%**	n/a	**-**	n/a	**-**	n/a
A J Sturcke	**78%**	84%	**22%**	12%	**-**	4%
Key Management Personnel						
P V McMahon	**100%**	n/a	**-**	n/a	**-**	n/a
I Ginbey	**100%**	n/a	**-**	n/a	**-**	n/a
E P Davies	**69%**	72%	**-**	25%	**31%**	3%

The proportions shown in the above table are in relation to actual income earned in the relevant year, and not to overall package entitlements. “n/a” stands for not applicable as the executive was not eligible for that type of remuneration during the relevant period.

C. Service agreements

On appointment to the executive team, all KMP’s enter into a service agreement with the Company in the form of a letter of appointment.

Remuneration and other terms of employment for the Chief Executive Officer and the other key management personnel are formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses and may include other benefits including car allowance and a fuel card, and participation, when eligible, in a Group Long-term Incentive Plan. Other major provisions of the agreements relating to remuneration are set out below.

H A Gardner, Chief Executive Officer (Nomad Building Solutions)

- Fixed annual reward, including superannuation and other benefits of $275,000 to be reviewed annually by the Nomination and Remuneration Committee and the Board.
- Short-term incentive bonus of up to 100% of fixed annual reward.
- Participation in the Executive Long-term Incentive Plan.
- 3 months’ notice of termination.
- An additional one-off $50,000 sign-on incentive bonus of 5,000,000 shares partly paid to $0.01 per share with $0.04 per share remaining unpaid upon issue.
- 15,000,000 NBS share options to be issued in three separate tranches – refer section D Share Based Compensation below.
- Additional two weeks paid annual leave per annum

W N Bloomer, Chief Executive Officer (BCQ)

- Fixed annual reward, including superannuation and other benefits of $350,000 to be reviewed annually by the Nomination and Remuneration Committee and the Board.
- Entitlement to the payment of a cash bonus equal to 50 cents for every $1 that BCQ EBIT exceeds:
  - Year 1 (starting from 1 July 2015) : $5,500,000;
  - Year 2: $6,000,000;
- Non-competition period of 3 years following NBS’s acquisition of BCQ.
- 6 months’ notice of termination after 1 July 2017. Prior to 1 July 2017, if the contract is terminated by the Company the total remuneration package that would be payable from the date of termination to 1 July 2017 is payable.
- Six weeks annual leave in the first year of employment.

Director's Report (continued)
Remuneration Report (Audited)

P V McMahon, Chief Financial Officer (Nomad Building Solutions)

- Fixed annual reward, including superannuation and other benefits of $189,435 to be reviewed annually by the Nomination and Remuneration Committee and the Board.
- Short-term incentive bonus to be determined.
- Participation in the Executive Long-term Incentive Plan.
- Non-competition period of 3 months upon termination of employment with the Group.
- 3 months' notice of termination.

I Ginbey, General Manager (McGrath Homes)

- Fixed annual reward, including superannuation and other benefits of $223,890 to be reviewed annually by the Nomination and Remuneration Committee and the Board.
- Participation in the Executive Long-term Incentive Plan.
- Non-competition period of 6 months upon termination of employment with the Group.
- 1 months' notice of termination.

A J Sturcke, Managing Director / Chief Financial Officer (Nomad Building Solutions), resigned November 2014

- Fixed annual reward, including superannuation and other benefits of $343,350 to be reviewed annually by the Nomination and Remuneration Committee and the Board.
- Short-term incentive bonus of up to 35% of base salary.
- Participation in the Executive Long-term Incentive Plan.
- Non-competition period of 12 months upon termination of employment with the Group.
- 3 months' notice of termination.
- An additional $50,000 short term incentive bonus payment.

E P Davies, General Manager (McGrath Homes), resigned December 2014

- Base salary of $300,000 to be reviewed annually by the Nomination and Remuneration Committee.
- Superannuation of 9.5% of base salary
- Short-term incentive bonus of up to 35% of fixed annual reward.
- Participation in the Executive Long-term Incentive Plan.
- Non-competition period of 12 months upon termination of employment with the Group.
- 3 months' notice of termination.
- A one-off maximum $120,000 retention payment.

Director's Report (continued)
Remuneration Report (Audited)

Assessing performance and claw-back of remuneration

The Nomination and Remuneration Committee is responsible for assessing performance against KPIs and determining the incentive bonuses to be paid. To assist in this assessment, the committee receives detailed reports on performance form management which are based on independently verifiable data such as financial measures, market share and data from independently run surveys.

In the event of serious misconduct or a material misstatement in the company's financial statements, the remuneration committee can cancel or defer performance based remuneration and may also claw back performance based remuneration paid in previous financial years.

D. Share-based compensation

(i) Option holdings

Options over shares in Nomad Building Solutions Limited are issued under Long-term Incentive Plans or as determined by the Board from time to time. Long-term Incentive Plans are designed to provide long-term incentives for executives to deliver superior long-term shareholder returns. There are no Long-term Incentive Plans currently in operation. The directors intend to re-instate a Long Term Incentive Plan in the near future.

For all Plans:

- The options can only be exercised if the employees are still employed by the Group.
- Options issued under each Plan carry no dividend or voting rights. Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company. Each Plan's rules do not permit the transfer of options.
- No options have vested and consequently no ordinary shares in the Company were provided as a result of the exercise of remuneration options to directors of Nomad Building Solutions Limited and other key management personnel of the Group.

The number of options over ordinary shares in the Company held during the financial year by each executive director of Nomad Building Solutions Limited and other key management personnel of the Group, including their personally held related parties, are set out below.

2015

Name	1 July 2014	Granted	Exercised	Other Changes	30 June 2015	Vested & exercisable	Unvested
Directors							
HA Gardner[1]	-	15,000,000	-	-	15,000,000	-	15,000,000
A J Sturcke [2]	1,850,000	-	-	(1,850,000)	-	-	-
Other Key Management Personnel							
E P Davies[3]	1,850,000	-	-	(1,850,000)	-	-	-

[1] On 26 February 2015, Heather Gardner and the Company entered into an employment contract pursuant to which Heather Gardner was appointed Chief Executive Officer of the Company. Under the terms of the employment contract Heather Gardner was issued with 15,000,000 options to be issued in three separate tranches as follows:

5,000,000 options will vest on 26 February 2016, with an exercise price of $0.08 per share (Tranche 1);
5,000,000 options will vest on 26 February 2017, with an exercise price of $0.10 per share (Tranche 2); and
5,000,000 options will vest on 26 February 2018, with an exercise price of $0.12 per share (Tranche 3).

Options may only be exercised if Heather Gardner is employed by the Company on the exercise date of the options and has been continuously employed by the Company since the grant of the options. Each option will expire 12 months after the vesting date for the relevant option.

[2] Mr A Sturcke ceased employment as Managing Director/Chief Financial Officer on 7 November 2014 and his options lapsed on the cessation of employment.

[3] Mr E P Davies ceased employment as General Manager, McGrath Homes on 12 December 2014 and his options lapsed on the cessation of employment.

Director's Report (continued)
Remuneration Report (Audited)

D. Share-based compensation (continued)

Share-based compensation: Options
Further details relating to options are set out below.

Name	A Remuneration consisting of options	B Value at grant date $	C 2014 Value at exercise date $	D Value at lapse date $
H A Gardner	15%	225,048	-	-

A= The percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year.

B = The value at issue date calculated in accordance with AASB 2 Share-based Payment of options issued during the year as part of remuneration.

C = The value at exercise date of options that were issued as part of remuneration and were exercised during the year, being the intrinsic value of the options at that date.

D = The value at lapse date of options that were issued as part of the remuneration and that lapsed during the year because a vesting condition was not satisfied. The value is determined at the time of lapsing, but assuming the condition was satisfied.

Refer to note 36(b) for details of options

Shares under option
Unissued ordinary shares of Nomad Building Solutions Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
26 February 2015	26 February 2017	$0.08	5,000,000
26 February 2015	26 February 2018	$0.10	5,000,000
26 February 2015	26 February 2019	$0.12	5,000,000
			15,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares issued on the exercise of options
No ordinary shares of Nomad Building Solutions Limited were issued during the year ended 30 June 2015 (2014: nil) on the exercise of options issued under the Nomad Building Solutions Limited Long-term Incentive Plans. No shares have been issued since that date.

Director's Report (continued)

Remuneration Report (Audited)

(ii) Share holdings

The number of shares in the Company held during the financial year by each director of Nomad Building Solutions Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no fully paid ordinary shares issued during the reporting period as compensation.

2015

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year	Nominally held
Directors of Nomad Building Solutions Limited					
Ordinary shares					
H A Gardner [1]	-	-	12,500,000	12,500,000	-
W N Bloomer [2]	-	-	88,000,000	88,000,000	-
L S McIntosh	-	-	4,500,000	4,500,000	-
D Bottomley	3,250,000	-	11,775,000	15,025,000	-
P C Constable	4,000,000	-	15,155,000	19,155,000	-
D J Franklyn [3] *	-	-	-	-	-
P J Hogan *	-	-	-	-	-
A J Sturcke *	160,000	-	(160,000)	-	-
Other key management personnel of the Group					
P V McMahon	-	-	250,000	250,000	-
I Ginbey	-	-	-	-	-
E P Davies *	-	-	-	-	-

[1] Under the terms of her employment contract Heather Gardner was issued with 5,000,000 shares partly paid to $0.01 per share with $0.04 per share remaining unpaid upon issue. At 30 June 2015 the unpaid amount per share had not been called by the Company.

[2] Issued as consideration for the acquisition of Bloomer Constructions (QLD) Pty Ltd. The shares are subject to a 36 month escrow agreement with a third of the shares to be released 12 months from completion, a further third 24 months from completions and the final third 36 months from completion.

[3] Acquired 1,000,000 shares during the financial year and held to date of resignation, therefore the balance nets off within other changes during the year column.

* D Franklyn resigned on 19 April 2015. P Hogan resigned on 31 July 2014. A J Sturcke resigned on 7 November 2014. E P Davies resigned on 12 December 2014.

Director’s Report (continued)
Remuneration Report (Audited)
E. Additional information

Performance of Nomad Building Solutions Limited
The Company has not declared any dividends for the 2015 financial year.

The following table illustrates the operation of the long-term incentive plan by comparing Nomad Building Solutions Limited total shareholder return to the ASX300AI since listing.

	Total shareholder return	
	Nomad	**ASX300 AI**
Year ended 30 June 2015	53.3%	0.0%
Year ended 30 June 2014	(15.1%)	12.2%
Year ended 30 June 2013	(36.9%)	16.5%
Year ended 30 June 2012	(9.7%)	(7.0%)
Year ended 30 June 2011	(11.4%)	16.1%
Year ended 30 June 2010	(51.8%)	(10.5%)
Year ended 30 June 2009	(64.6%)	(20.3%)
Year ended 30 June 2008	(31.6%)	(13.7%)
Date of listing 31 October 2006 to 30 June 2007	172.5%	(19.9%)

Notes:
1. Based on issue price of $1 per share on listing on 30 October 2006.
2. The Company’s return is inclusive of dividends paid.

Loans to directors and executives
There were no loans to directors and executives for financial years 2015 and 2014.

Other Transactions with key management personnel
Included in work in progress at 30 June 2015 was $811,647 in respect of BCQ construction contracts in progress for which the related contracting parties were entities controlled by Wayne Bloomer. These contracts pre-date the acquisition of BCQ by the Company and are being completed as per the related contracts which are on an arm’s length basis.

Included within Trade Creditors at 30 June 2015 is $1,356,336 in respect of loans granted by entities controlled by Wayne Bloomer. These loans relate to funding provided prior to acquisition, are repayable on demand and do not attract interest.

As disclosed in note 19, borrowings of $3.1m were in place at 30 June 2015 in respect of a related party construction contract for an entity jointly controlled by Wayne Bloomer. This debt is secured over the related party land, and assets in the course of construction for which BCQ is the construction contractor on an arms-length basis. BCQ holds a second ranking security over the land and assets, a 32 unit private residential development in metropolitan Brisbane. Interest charges on the facility are being passed on to the developer in accordance with the development agreement. The facility is repayable on completion of the construction contract. Included within current assets at 30 June 2015 (trade receivables & inventories) is $4.2m in relation to the construction contract. The corresponding assets, trade receivables and inventory, have been assessed by the directors for impairment as at the date of this report and are considered to be fully recoverable.

Prior to the acquisition of BCQ by the Company, Wayne Bloomer had provided certain personal guarantees in respect of the BCQ business. It was a condition of the sale and purchase agreement that the Company would use its best endeavours to procure the release of Wayne Bloomer from those guarantees. In respect of personal guarantees for banking facilities this release occurred during May 2015. In respect of personal guarantees to trade suppliers the process of releasing Wayne Bloomer from these guarantees is ongoing.

Following the acquisition of BCQ, rent charges totalling $18,000 was paid to entities controlled by Wayne Bloomer for the use of office premises for the period 1 May 2015 to 30 June 2015. The related rental contracts are on an arm’s length basis.

Director's Report (continued)

Remuneration Report (Audited)

E. Additional information (continued)

Other Transactions with key management personnel (continued)

As part of the acquisition of BCQ, the Group has agreed to pay Kurrewa Holdings Pty Ltd, an entity related to W Bloomer additional consideration of up to 46,153,846 ordinary shares at a deemed issue price of $0.065 cents per share conditional upon BCQ between 1 March 2015 and 30 June 2017 having achieved an aggregate EBIT of between $5.0m and $8.0m – refer Note 17 for additional detail.

On 4th February 2015 the Board executed a Convertible Loan Agreement with Annapurna Investments Pty Ltd (Annapurna), an entity controlled by Heather Gardner. This short term loan of $250,000 for a period of 90 days at an interest rate of 10% was convertible on maturity to 5,000,000 ordinary shares at a deemed issue price of $0.05. The Board agreed that the loan was on arms-length terms under section 210 of the Corporations Act and was in the best interests of shareholders. Interest of $6,381 was paid to Annapurna under the terms of the loan. Ryder Investment Management Pty Ltd, an entity related to Peter Constable and David Bottomley provided professional services to the Company in respect of the acquisition of BCQ. Ryder Investment Management Pty Ltd was engaged on an arms-length basis and was paid $182,000 for these services through the issue of 3,640,000 shares.

This is the end of the audited remuneration report.

Insurance of directors and officers

During the financial year, Nomad Building Solutions Limited paid a premium of $59,385 (2014: $64,514) to insure the directors and officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services provided during the year are set out below.

Director's Report (continued)

Non-audit services (continued)

The Board has considered the position and, in accordance with advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year the following fees were paid or are payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2015	**2014**
	$	**$**
Audit services		
Audit and review of financial report		
- parent entity auditors BDO Audit (WA) Pty Ltd	**79,818**	113,736
- controlled entity (BCQ) auditors PKF Hacketts Pty Ltd	**14,000**	-
Non-audit services		
Tax services (from a BDO Audit (WA) Pty Ltd related entity)	**21,350**	31,726
Tax services from PKF Hacketts Pty Ltd	**7,500**	-
Other non-assurance services from PKF Hacketts Pty Ltd	**59,725**	-
Total remuneration for audit and other services	**182,383**	145,462

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 31.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

BDO Audit (WA) Pty Ltd continues in office, in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.

Heather Gardner
Executive Director
Brisbane
29 September 2015

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Subiaco, WA 6008
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Australia

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

As lead auditor of Nomad Building Solutions Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 29 September 2015

Financial Statements

Contents

These financial statements cover Nomad Building Solutions Limited ("Company") and its subsidiaries ("Group"). The financial statements are presented in the Australian currency.

Nomad Building Solutions Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Nomad Building Solutions Limited
Level 1, 4 Kyabra Street
Newstead QLD 4006

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report on page 14 - 16.

The financial statements were authorised for issue by the directors on 29 September 2015. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, the Company has ensured that its corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on the Company's website: www.nomadbuildingsolutions.com.au

For queries in relation to the Company's reporting please call the Company Secretary on +61 7 3225 4900.

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

	Note	2015 $'000	2014 $'000
Revenue from continuing operations	4	**80,272**	37,940
Other income / (loss)	5	**(378)**	(58)
Raw materials, consumables and contract labour		**(70,504)**	(28,170)
Employee benefits expense	6	**(5,246)**	(4,746)
Depreciation and amortisation expense	6	**(1,368)**	(1,040)
Borrowing cost expense	6	**(100)**	(66)
Operating lease costs	6	**(1,340)**	(1,451)
Corporate and administration expenses	6	**(2,521)**	(1,691)
Impairment expense	6	**(21,137)**	(101)
Other expenses		**(1,059)**	(792)
(Loss) before income tax		**(23,381)**	(175)
Income tax (expense)	7	**-**	-
(Loss) after income tax from continuing operations		**(23,381)**	(175)
(Loss) from discontinued operations net of income tax	25	**(2,004)**	(6,712)
Total comprehensive (loss) for the year attributable to members of Nomad Building Solutions Limited		**(25,385)**	(6,887)
Loss Per Share attributable to the members of Nomad Building Solutions Limited			
Basic loss per share	35	**(8.2)**	(2.5)
Diluted loss per share	35	**(8.2)**	(2.5)
Continuing Operations			
Basic loss per share	35	**(7.6)**	(0.06)
Diluted loss per share	35	**(7.6)**	(0.06)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Financial Position
As at 30 June 2015

	Note	2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**5,680**	6,544
Cash held in trust	8	**2,906**	1,760
Trade and other receivables	9	**25,333**	2,741
Inventories	10	**14,878**	2,554
Non-current assets held for sale	11	**1,716**	1,800
Current tax asset		**62**	-
Intangible assets	16	**212**	-
Total current assets		**50,787**	15,399
Non-current assets			
Property, plant and equipment	12	**2,348**	3,519
Investment property	13	**536**	2,541
Leasehold development costs	14	**-**	3,169
Deferred tax assets	15	**123**	20
Intangible assets	16	**4,194**	16,416
Total non-current assets		**7,201**	25,665
Total assets		**57,988**	41,064
LIABILITIES			
Current liabilities			
Trade and other payables	18	**30,623**	4,626
Deferred income	10	**2,848**	1,874
Interest bearing liabilities	19	**3,164**	-
Provisions	20	**2,457**	4,189
Total current liabilities		**39,092**	10,689
Non-current liabilities			
Deferred tax liabilities	21	**123**	20
Interest bearing liabilities	19	**101**	-
Provisions	22	**1,469**	-
Other financial liabilities	17	**2,348**	-
Total non-current liabilities		**4,041**	20
Total liabilities		**43,133**	10,709
Net assets		**14,855**	30,355
EQUITY			
Contributed equity	23	**117,486**	107,773
Reserves	24	**172**	106
(Accumulated losses)	24	**(102,803)**	(77,524)
Total equity		**14,855**	30,355

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

Financial Statements

Consolidated Statement of Changes in Equity
For the year ended 30 June 2015

	Note	Contributed Equity	Share Based Payment Reserve	Option Reserve	(Accumulated Losses)	Total
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2013		107,773	-	98	(70,637)	37,234
Total comprehensive loss for year ended 30 June 2014		-	-	-	(6,887)	(6,887)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs		-	-	-	-	-
Employee share options	24	-	-	8	-	8
Balance as at 30 June 2014		107,773	-	106	(77,524)	30,355
Total comprehensive loss for year ended 30 June 2015		**-**	**-**	**-**	**(25,385)**	**(25,385)**
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	23	**9,713**	**-**	**-**	**-**	**9,713**
Equity settled share based payment	24	**-**	**127**	**-**	**-**	**127**
Employee share options issued	24	**-**	**-**	**45**	**-**	**45**
Employee share options lapsed	24	**-**	**-**	**(106)**	**106**	**-**
Balance as at 30 June 2015		**117,486**	**127**	**45**	**(102,803)**	**14,855**

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

Financial Statements

Consolidated Statement of Cash Flows
For the year ended 30 June 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**63,618**	62,141
Payments to suppliers and employees (inclusive of GST) **		**(68,745)**	(65,644)
Cash generated from operations		**(5,127)**	(3,503)
Interest paid		**(100)**	(66)
Income taxes received/(paid)		**(119)**	-
Net cash flow used in operating activities	34	**(5,346)**	(3,569)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired **	17	**2,247**	-
Payment for leasehold development asset		**(2,910)**	-
Payments for property, plant and equipment	12 & 13	**(85)**	(224)
Proceeds from sale of property, plant and equipment		**253**	587
Transfer (to) / from cash held in trust		**(326)**	4,634
Interest received		**76**	186
Net cash (outflow) / inflow from investing activities		**(745)**	5,183
Cash flows from financing activities			
Net proceeds from borrowings	19	**2,265**	-
Proceeds from the issue of shares, net of transaction costs	23	**3,211**	-
Repayment of hire purchase and lease payments		**(249)**	-
Net cash inflow from financing activities		**5,227**	-
Net increase / (decrease) in cash and cash equivalents		**(864)**	1,614
Cash and cash equivalents at the beginning of the financial year		**6,544**	4,930
Cash and cash equivalents at the end of the financial year	8	**5,680**	6,544

** Included within investing activities above is $3.7m of cash acquired on the acquisition of BCQ. This represents cash generated from the pre-acquisition operating activities of BCQ. Post-acquisition, this cash has been utilised to pay BCQ suppliers and employees included within the operating cash outflow above.

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

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF 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. The financial statements include financial statements for the Group consisting of Nomad Building Solutions Limited and its subsidiaries and a separate summary of financial statements for Nomad Building Solutions Limited as an individual entity in note 38.

(a) **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Nomad Building Solutions Limited is a for-profit entity for the purpose of preparing the financial statements. The Board of Directors approved the financial statements for issue on 29 September 2015.

Compliance with IFRS

The financial statements of Nomad Building Solutions Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates and significant judgements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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 3.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nomad Building Solutions Limited ("parent entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended. Nomad Building Solutions Limited and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(g)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies 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 Group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for major business activities as follows:

(i) *Sale of goods*

Accounting Standard AASB 111 Construction Contracts – the Group uses the 'percentage of completion' method, which states "When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date". The Group uses costs incurred as the measure of percentage of completion.

(ii) Rendering of services

Services revenue is recognised at the fair value of the consideration received or receivable. It is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

(iii) Interest income

Interest income is recognised on a time proportional basis using the effective interest method.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Income tax (continued)

Tax consolidation legislation

Nomad Building Solutions Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The parent entity Nomad Building Solutions Limited and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a standalone taxpayer in its own right.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed 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.

(f) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the asset's useful life.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 29). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the Group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that is required to be replaced in a business combination. The acquisition date is the date on which the Group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

For each business combination, the Group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Business combinations (continued)

Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity and transaction costs arising on the issue of debt as part of the consideration are accounted for in accordance with note 1(s).

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

The value of customer contracts and customer relationships at the date of acquisition are recognised as assets. The fair value attributed to these assets includes adjustments for associated cost contingencies including contract, client and capital risks.

(h) Impairment of assets

Goodwill and 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 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. The recoverable amount is the higher of an assets fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for each where there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Cash and cash equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid instruments 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are generally due for settlement within 30 days from date of invoice.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Inventories

(i) Raw materials and stores and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

(ii) Construction work in progress

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits, the net amounts are presented under other liabilities. Expected losses to complete a contract in progress are recognised immediately.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Group's construction activities in general.

(l) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial asset was acquired. Management determines the classification of its financial assets at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

(iv) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Notes to the Consolidated Financial Statement

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Non-Current Assets Classified as Held for Sale

Non-current assets classified as held for sale are those assets whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. These assets are stated at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortised. Interest expense continues to be recognised on liabilities of a disposal group classified as held for sale.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for subsequent increases in fair value less costs to sell of an asset but not exceeding any cumulative impairment losses previously recognised.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

(n) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight line or diminutive value method to allocate their cost amounts, net of their residual values, over their estimated useful lives, as follows:

- Hire buildings — 8 years
- Plant and equipment — 5 – 10 years
- Vehicles — 4 – 8 years
- Furniture, fittings and equipment — 3 – 10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(o) Investment property

Investment properties held for rental are initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less impairment.

Property under construction held for future use as investment property is also carried at cost.

Depreciation on investment property is calculated using the straight line method to allocate their cost amounts, net of their residual values, over their estimated useful lives of 8 years.

(p) Leasehold Development Costs

Leasehold development costs are being held for future use as an investment property.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Intangible assets

Intangible assets acquired in a business combination are initially measured at cost, which are their fair value at acquisition date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/business at the date of acquisition. Goodwill on acquisition of subsidiaries and businesses is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Customer Contracts

Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. They are recognised initially at fair value and subsequently at amortised cost.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use, where material. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year.

Notes to the Consolidated Financial Statement

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Provisions

Provisions for legal claims, service warranties and onerous contracts are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(v) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months of the reporting date in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period 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 end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefits

Contributions paid or payable by the Group to employee superannuation funds are charged as an expense when incurred.

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee benefits (continued)

(iv)Share-based payments

Share-based compensation benefits are available to be provided to employees via the Nomad Long-term Incentive Plans or as determined by the Board. Information relating to the Plans is set out in note 36.

The fair value of options granted under the Nomad Long-term Incentive Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a combination of Monte Carlo simulation (for the TSR criteria) and a trinomial lattice was used to value the Total Shareholder Return target options, with regression analysis being used for the NPAT hurdles. All methods take 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 as appropriate.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The fair value of other employee options granted is independently valued using Black Scholes option pricing model. Service and non-market performance conditions are not taken into account in measuring fair value. The assessed fair value at issue date of options issued is allocated equally over the period from issue date to vesting dates. The valuation method takes into account the exercise price, the term of the option, 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 as appropriate.

(v) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(vi)Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Contributed equity

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

(x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(y) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, 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 year.

(ii) 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.

(z) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or 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 taxation authority, are presented as operating cash flows.

(aa) Rounding the amounts

The Company is of a kind referred to in Class order 98/100, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ab) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been adopted by the Group for the financial year ended 30 June 2015. Those which may be relevant to the Group are set out below. The adoption of these standards is expected to have no material impact on the Group's financial results and assets or liabilities.

AASB Amendment	Affected Standard(s)	Nature of Change to Accounting Policy	Application Date of Standard*	Application Date for Group
AASB 9	Financial Instruments	Changes to classification and measurement requirements of financial instruments.	1 Jan 18	1 July 18
AASB 15	Revenue from Contracts with Customers	Changes to revenue recognition criteria	1 Jan 18	1 July 18
AASB 2015-1 (issued January 2015)	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012 – 2014 cycle	AASB 2013-9 makes amendments to AASB 5 and AASB 119	1 Jan 16	1 July 16
AASB 2015-2 (issued January 2015)	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	Clarifies presentation of financial statements	1 Jan 16	1 July 16

(ac) Parent entity financial information

The financial information for the parent entity, Nomad Building Solutions Limited, disclosed in note 38 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost less impairment in the financial statements of Nomad Building Solutions Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Notes to the Consolidated Financial Statements

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ac) Parent entity financial information (continued)

(ii) Tax consolidation legislation

Nomad Building Solutions Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The parent entity and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Nomad Building Solutions Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Nomad Building Solutions Limited for any current tax payable assumed and are compensated by Nomad Building Solutions Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Nomad Building Solutions Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the parent entity, which is issued as soon as practicable after the end of each financial year. The parent entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iv) Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Notes to the Consolidated Financial Statements

NOTE 2 : FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Financial Risk Management

The Group's management of financial risk is aimed at ensuring net cash flows and facilities are sufficient to:

- meet the Group's financial commitments as and when they fall due; and
- maintain capacity to fund the growth of the Group.

The Group's overall risk management program focuses on the unpredictability of financial markets while seeking to assist the Group in meeting its financial targets and minimising potential adverse effects on the financial performance of the Group.

The Chief Executive Officer and Chief Financial Officer prepare financial and cash forecasts which are analysed in context of the most recent economic conditions and forecasts. Risk exposure is assessed and risk management strategies including credit risk policies, cash flow requirements and finance facility management are developed with the Board of Directors.

The areas of key financial risk for the business are effectively the same as in prior periods and therefore continue to be managed as per prior periods.

The Group holds the following financial instruments:

	Consolidated	
	2015	2014
	$'000	$'000
Financial assets		
Cash and cash equivalents	**5,680**	6,544
Cash held in trust	**2,906**	1,760
Trade and other receivables	**25,021**	2,741
	33,607	11,045
Financial liabilities measured at fair value		
Deferred consideration (Note 17)	**2,348**	-
	2,348	-
Financial liabilities at amortised cost		
Secured bank loan	**3,077**	-
Finance lease liabilities	**163**	-
Trade and other payables	**30,623**	4,626
	33,863	4,626

Notes to the Consolidated Financial Statements

NOTE 2 : FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

(i) Price risk

The Group is not exposed to any price risk in relation to its financial assets or liabilities.

(ii) Cash flow and Interest Rate Risk

The group does not have any borrowings, on which it is exposed to interest rate risk. Interest charges on the Group's secured bank loan ($3.1m) with Australia and New Zealand Banking Group Limited (ANZ) are passed on to a developer client in accordance with the terms of the related construction contract (see note 19).

The Group is exposed to changes in interest rates from cash deposits.

As the Group has no interest-bearing assets other than cash at bank, the Group's income and operating cash flows are not exposed significantly to changes in market interest rates.

(b) Credit risk

Credit risk refers to the risk that a contracting party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy that requires a detailed financial assessment of contracting parties to ensure that sales of products are made to customers with an appropriate credit standing and history.

Other credit risk consists of cash deposits held with high quality financial institutions each of which carries a Moody's short term credit rating of P-2 or above. The credit risk exposure of the Group in relation to cash and deposits is the carrying amount and any accrued unpaid interest.

(c) Liquidity risk

At 30 June 2015 the Group had access to a $3,700,000 bank guarantee facility with National Australia Bank (NAB) and a $2,000,000 bank guarantee facility with Bank of Queensland (BOQ). The NAB facility is fully secured with $1,365,000 cash in trust and the balance against Group assets. The BOQ facility can be drawn down on condition that the drawn down is backed with funds held in trust.

(i) Financing Arrangements

The Group had access to the following undrawn borrowing facilities at the reporting date:

	2015 $'000	2014 $'000
Floating rate		
Bank loans and overdraft expiring within 1 year	**-**	-
Bank loans and overdraft expiring beyond 1 year	**-**	-
Other		
Contingent Instrument facility	**554**	**3,229**
Total	**554**	**3,229**

Notes to the Consolidated Financial Statements

NOTE 2 : FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 June 2015	Less than 6 months $'000	6 – 12 months $'000	Between 1 & 2 Years $'000	Between 2 & 5 Years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives						
Trade and other payables	**30,623**	**-**	**-**	**-**	**30,623**	**30,623**
Borrowings	**3,077**		**-**	**-**	**3,077**	**3,077**
Deferred consideration	**-**	**-**	**-**	**2,348**	**2,348**	**2,348**
Finance lease liabilities	**30**	**31**	**61**	**41**	**163**	**163**
	33,730	**31**	**61**	**2,389**	**36,211**	**36,211**

At 30 June 2014						
Non-derivatives						
Trade and other payables	4,626	-	-	-	4,626	4,626
Borrowings	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-
	4,626	-	-	-	4,626	4,626

(d) Fair value measurement

To provide an indication of the reliability of the inputs used in determining fair value, the Group classifies its fair value assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

At 30 June 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Customer contracts acquired in business combinations	**-**	**-**	**212**	**212**
Non-current assets held for sale	**-**	**-**	**1,716**	**1,716**
Total assets	**-**	**-**	**1,928**	**1,928**
Liabilities				
Contingent consideration payable	-	-	**2,348**	**2,348**
Total liabilities	-	-	**2,348**	**2,348**

At 30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Non-current assets held for sale	**-**	**-**	**1,800**	**1,800**
Total assets	**-**	**-**	**1,800**	**1,800**
Total liabilities	**-**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements

NOTE 2 : FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value measurement (continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The group did not measure and fair valued assets or liabilities on a non-recurring basis as at 30 June 2015.

(a) Level 1

The fair value of financial instruments and assets traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(b) Level 2

The fair value of financial instruments and assets that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all specific inputs required to fair value an item are observable, the item is included in level 2.

(c) Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the changes in level 3 items for the year ended 30 June 2015;

At 30 June 2015	**Customer contracts acquired**	**Non-current assets held for sale**	**Contingent consideration payable**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Opening balance 1 July 2014	**-**	**1,800**	**-**	**1,800**
Recognised on business acquisition (Note 17)	**978**		**(2,348)**	**(1,370)**
Transfer from property, plant and equipment (Note 12)	**-**	**316**	**-**	**316**
(Losses)/Gains recognised in statement of profit or loss & other comprehensive income (Note 6)	**(766)**	**(400)**	**-**	**(1,166)**
Closing balance 30 June 2015	**212**	**1,716**	**(2,348)**	**(420)**

There were no transfers between levels during the year ended 30 June 2015.

Notes to the Consolidated Financial Statements

NOTE 2 : FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value measurement (continued)

(i) Contingent consideration payable (Note 17)

Deferred consideration relating to the acquisition of BCQ has been valued using a level 3 fair valuation assessment and considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBIT, the amount to be paid under each scenario and the probability of each scenario. Significant unobservable inputs are the forecast growth rate of 2.5%, forecast EBIT margin (2015: 3.1%) and the risk adjusted discount rate (2015: 16.3%).

Based on information on hand at 30 June 2015 the Company has assumed that the financial forecasts of BCQ will ensure maximum payout of deferred consideration. Accordingly, the estimated fair value would decrease if the forecast growth rate and EBIT margin were lower. The estimated fair value would increase/ (decrease) if the risk adjusted discount rate were (lower)/higher.

(ii) Customer contracts acquired in business combinations (Note 16)

The fair value of the BCQ order book ($978,000) was determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale and a reasonable profit margin. The fair value measurements have been categorised as level 3 fair values based on the inputs to the valuation techniques used. The significant unobservable input is the forecast EBIT margin of 3.5%. A change in the forecast EBIT margin by +/- 25 bps would increase/decrease the assessed fair value by $379,000.

(iii) Non-current assets held for sale (Note 11)

The fair value of assets classified as held for sale has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The fair value of financial assets and financial liabilities at amortised cost approximates their carrying value.

Notes to the Consolidated Financial Statements

NOTE 2 : FINANCIAL RISK MANAGEMENT (continued)

(e) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk:

		- 50 bps		+ 50 bps	
	Carrying amount $'000	**Profit $'000**	**Equity $'000**	**Profit $'000**	**Equity $'000**
2015					
Financial assets					
Cash and cash equivalents	**5,680**	**(28)**	**(28)**	**28**	**28**
Cash held in trust	**2,906**	**(15)**	**(15)**	**15**	**15**
Financial liabilities					
Borrowings		**-**	**-**	**-**	**-**
		(43)	**(43)**	**43**	**43**
2014					
Financial assets					
Cash and cash equivalents	6,544	(33)	(33)	33	33
Cash held in trust	1,760	(9)	(9)	9	9
Financial liabilities					
Borrowings	-	-	-	-	-
		(42)	(42)	42	42

A 50 basis point movement in interest rates has been used as this is considered by management to be the likely range of change in interest rates in the next 12 months.

NOTE 3 : CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill and property, plant and equipment

Goodwill is recognised as part of business combinations. An impairment test has been performed which involves the use of assumptions and estimates (see note 16). If there are any significant changes in the assumptions or estimates for the business which still carry goodwill it may have a material impact on the carrying value.

Notes to the Consolidated Financial Statements

NOTE 3 : CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Critical accounting estimates and assumptions (continued)

(ii) Revenue Recognition

In accordance with the accounting policy detailed in note 1(d)(i), the Group recognises revenue for the major business activities using the percentage completion method as outlined in AASB 111 – Construction Contracts. This involves reporting revenue, expenses and the profit attributable based on reliable estimates of the outcome of the construction contract.

Were the actual final outcome to differ by 10% from management's estimates on all works in progress at year end, the Group would need to:

- decrease profit before tax by $1,436,000, if unfavourable;
- increase profit before tax by $1,396,000, if favourable.

(iii) Life of Assets

In accordance with the accounting policy detailed in note 1(n), the Group has determined the useful life of categories of business assets. Were the estimated life of hire buildings to:

- increase by a year then profit before tax would increase by $10,000;
- decrease by a year then profit before tax would decrease by $15,000.

(iv) Recovery of Deferred Tax Assets

The carrying amount of recognised and unrecognised deferred tax assets are reviewed 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.

(v) Provision for litigation

Where the Group is involved with outstanding litigation, provision is raised where claims against the Group are able to be measured, at the best estimate of the expenditure required to settle the obligation at the reporting date. Where claims are not able to be reliably measured, disclosure is made by way of a contingency note - refer note 28.

(vi) Onerous Lease

The Group has recognised an onerous lease provision on its Wacol lease, which takes into account the contractual obligations under the head lease and the sub lease. In calculating the onerous lease provision, management has assumed that the sub-lease income will continue throughout the life of the head lease. Any delays in finding a tenant for the lease (beyond the existing sub lease – see note 20 for description), would result in an adverse impact on profit and loss in future years.

(vii) Deferred Consideration

The Group has recognised an amount for deferred consideration in respect of the BCQ acquisition payable contingent upon EBIT achieved between 1 March 2015 and 30 June 2017. In calculating the contingent consideration management has assumed full achievement of the EBIT target. Actual EBIT below target would result in a reduction in the amount of deferred consideration recognised which would have a favourable impact on profit and loss in future years. The carrying amount of the deferred consideration will be reviewed at each reporting date – refer note 17.

(viii) Customer Contracts

On acquisition of BCQ the Group has assessed the fair value of the BCQ order book based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale and a reasonable profit margin. In making this assessment management are required to use considerable judgment in respect of the inputs to the valuation– refer Note 2.

Notes to the Consolidated Financial Statements

NOTE 4 : REVENUE

	Consolidated 2015 $'000	2014 $'000
From continuing operations		
Sales revenue		
Construction contract revenue	**79,788**	36,721
Revenue from the rendering of services including the hire of buildings	**408**	1,051
Other revenue		
Interest	**76**	168
	80,272	37,940

NOTE 5 : OTHER INCOME / (LOSS)

Net (loss) on disposal of property, plant and equipment	**(404)**	(206)
Other	**26**	148
	(378)	(58)

Notes to the Consolidated Financial Statements

NOTE 6 : EXPENSES

	Consolidated	
	2015	2014
	$'000	$'000
(Loss) / Profit before income tax includes the following specific expenses:		
Depreciation & amortisation expense		
Hire assets	**2**	53
Land and buildings	**276**	35
Plant and equipment	**187**	204
Investment property	**137**	748
Amortisation of intangibles	**766**	-
Total depreciation and amortisation	**1,368**	1,040
Finance costs		
Interest and finance charges paid/payable	**100**	66
Finance costs expensed	**100**	66
Rental expense relating to operating leases		
Minimum lease payments	**1,340**	1,451
Total rental expense relating to operating leases	**1,340**	1,451
Employee benefits expense		
Salary and wages	**4,249**	3,779
Superannuation expense	**196**	327
Share-based payments	**342**	8
Other employee expense	**459**	632
Total employee benefits expense	**5,246**	4,746
Corporate and Administration expenses		
Corporate and administration expenses	**1,650**	1,691
Share based payments	**526**	-
Fair value movement in contingent consideration	**345**	-
Total corporate and administration expense	**2,521**	1,691
Impairment expenses		
Impairment of goodwill (Note 16)	**15,116**	-
Impairment of investment properties (Note 13)	**1,878**	-
Impairment of leasehold development costs (Note 14)	**3,169**	-
Impairment of trade receivables	**974**	101
Total Impairment expenses	**21,137**	101
Discontinued expenses		
Impairment expenses		
Impairment of assets held for Sale (Note 11)	**400**	557
Impairment of property, plant and equipment (Note 12)	**118**	-
Total Impairment expenses	**518**	557
Onerous Lease Expense		
Impairment of onerous lease	**791**	1,767
Total Onerous Lease expense	**791**	1,767

Notes to the Consolidated Financial Statements

NOTE 7 : INCOME TAX EXPENSE

	Consolidated 2015 $'000	Consolidated 2014 $'000
(a) Income tax (revenue) / expense		
Current tax	**-**	-
Deferred tax	**-**	-
Adjustments for current tax of prior periods	**-**	-
	-	-
Income tax expense is attributable to:		
Profit from continuing operations	**-**	-
(Loss) from discontinued operation	**-**	-
Aggregate income tax (revenue) / expense	**-**	-
Deferred income tax (revenue) / expense included in income tax expense comprises:		
(Increase) / Decrease in deferred tax assets (note 15)	**(103)**	52
Increase / (Decrease) in deferred tax liabilities (note 21)	**103**	(52)
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
(Loss) from continuing operations before income tax expense (loss)	**(23,381)**	(175)
(Loss) from discontinued operations before income tax expense (loss)	**(2,004)**	(6,712)
	(25,385)	(6,887)
Tax at the Australian tax rate of 30% (2014 – 30%)	**(7,615)**	(2,066)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles	**230**	-
Share based payments	**67**	5
Entertainment	**3**	5
Other	**28**	-
Impairment	**6,204**	-
Deferred tax asset not recognised	**1,083**	2,056
Income tax expense (benefit)	**-**	-
Adjustments for current tax for prior periods	**-**	-
Income tax (revenue) / expense	**-**	-

Notes to the Consolidated Financial Statements

NOTE 8 : CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	$'000	$'000
Cash at bank and in hand	**5,680**	6,544
Cash held in trust	**2,906**	1,760
	8,586	8,304

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	Consolidated	
	2015	2014
	$'000	$'000
Balances as above	**5,680**	6,544
Balances per statement of cash flows	**5,680**	6,544

(b) Interest rate risk exposure

The bank accounts are bearing floating interest rates currently ranging between 0.99% and 2.87% (2014: between 1.61% and 2.45%). The Group's exposure to interest rate risk is discussed in note 2.

NOTE 9 : CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015	2014
	$'000	$'000
Trade receivables	**26,341**	2,805
Allowance for impairment of receivables (note (a) below)	**(1,557)**	(311)
Other receivables	**237**	31
Prepayments	**312**	216
	25,333	2,741

At 30 June 2015 trade receivables include retentions of $2,005,888 (2014: $101,000) relating to construction contracts in progress.

(a) Impaired trade receivables

As at 30 June 2015 current trade receivables of the Group with a nominal value of $1,556,909 (2014: $311,000) were impaired. The amount of the allowance was $1,556,909 (2014: $311,000). The balance at 30 June 2015 consists of $469,777 of individual impairments related to trade receivables acquired as part of the acquisition of BCQ. The remainder of the impairment allowance, $1,087,132, is an impairment allowance for BCQ receivables based on number of days past due date. It is uncertain what level of the allowance may be recovered.

The ageing of these receivables is as follows:

	Consolidated	
	2015	2014
	$'000	$'000
Up to 3 months	**478**	-
3 to 6 months	**465**	-
Over 6 months	**614**	311
	1,557	311

NOTE 9 : CURRENT ASSETS – TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Impaired trade receivables (continued)

Movements in the allowance for impairment of receivables are as follows:

	Consolidated	
	2015	2014
	$'000	$'000
At 1 July	**311**	255
Impairment recognised during the year	**(311)**	(45)
Impaired receivables acquired via business combination	**583**	-
Receivables written off during the year as uncollectable	**974**	101
	1,557	311

The creation and release of the allowance for impaired receivables has been included in 'other expenses' in the statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As at 30 June 2015, trade receivables of $859,009 (2014: $1,469,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated	
	2015	2014
	$'000	$'000
Up to 3 months	**859**	1,319
3 to 6 months	**-**	150
	859	1,469

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

The past due debtors as at 30 June 2015 are partly related to contracts with private residential buyers waiting for final inspection of their properties and handover on site.

(c) Other receivables

These amounts relate to other transactions outside the usual operating activities of the Group.

(d) Effective interest rates and credit risk

Information concerning the effective interest rate and credit risk of both current and non-current receivables is set out in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

(e) Fair value

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

Notes to the Consolidated Financial Statements

NOTE 10 : CURRENT ASSETS – INVENTORIES

	Consolidated	
	2015	2014
	$'000	$'000
Work-in-progress	**14,777**	2,457
Raw materials and stores – at cost	**101**	97
	14,878	2,554

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2015 amounted to nil (2014: nil).

At 30 June 2015 aggregate costs incurred under open construction contracts and recognised profit, net of recognised losses, amounted to $58,271,000 (2014: $7,369,000). Progress billings and advances received from customers under open construction contracts amounted to $58,199,000 (2014: $9,098,000). Advances for which related work has not started, and billings in excess of costs incurred and recognised profits are presented as deferred income and amounted to $2,848,000 at 30 June 2015 (2014: $1,874,000).

NOTE 11 : NON-CURRENT ASSETS HELD FOR SALE

	Consolidated	
Assets classified as held for sale	**2015**	2014
	$'000	$'000
Opening Balance at 1 July	**1,800**	3,553
Transfer to investment property (Note 13)	**-**	(3,553)
Transfer from property plant and equipment (Note 12)	**316**	2,357
Impairment (Note 6)	**(400)**	(557)
	1,716	1,800

During the year ended 30 June 2015, a house and land at Roma, QLD ($316,000) were reclassified as held for sale. Immediately before transfer the Group remeasured the property at fair value and recognised a loss of $118,000 (Note 6).

Other assets classified as held for sale comprise five strata titled units in Derby WA. During the year ended 30 June 2015 a fair value adjustment of $400,000 was charged as impairment against these units (Note 6).

Refer to Financial Risk Management (Note 2) for the fair value hierarchy and details.

Notes to the Consolidated Financial Statements

NOTE 12 : NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

Consolidated	Hire buildings	Land & buildings	Plant & equipment	Total
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
Year ended 30 June 2015				
Opening net book amount	**76**	**2,612**	**831**	**3,519**
Acquisition through business combination (Note 17)	**-**	**-**	**262**	**262**
Additions	**-**	**-**	**143**	**143**
Disposals	**(63)**	**(162)**	**(431)**	**(656)**
Transfer to/(from) assets held for resale (Note 11)	**-**	**(316)**	**-**	**(316)**
Impairment charge (Note 6)	**-**	**(118)**	**-**	**(118)**
Depreciation charge	**(4)**	**(292)**	**(189)**	**(486)**
Closing net book amount	**9**	**1,723**	**616**	**2,348**
At 30 June 2015				
Cost or fair value	**19**	**2,056**	**1,272**	**3,347**
Accumulated depreciation	**(10)**	**(333)**	**(656)**	**(999)**
Net book amount	**9**	**1,723**	**616**	**2,348**

NOTE 13 : INVESTMENT PROPERTY – AT COST

	Consolidated 2015 $'000	2014 $'000
Opening balance at 1 July	**2,541**	-
Transfer from / (to) Assets classified as held for sale (Note 11)	**-**	3,553
Additions	**11**	30
Depreciation for the year	**(138)**	(1,042)
Impairment (Note 6)	**(1,878)**	-
Balance at end of year	**536**	2,541

Based on an extended period of lower than historical occupancy rates and room rates an impairment of $1,878,000 has been recognised in respect of Nomad Properties' King Village accommodation asset. In the view of management the carrying value of this asset closely approximates its fair value.

(a) Amounts recognised in profit or loss for investment properties

The following amounts have been recognised in the statement of profit or loss and other comprehensive income in respect of investment property:

	Consolidated 2015 $'000	2014 $'000
Rental income	**410**	896
Direct operating expenses arising from investment property that generated rental income during the year	**(593)**	(1,109)
	(183)	(213)

Notes to the Consolidated Financial Statements

NOTE 14 : LEASEHOLD DEVELOPMENT COSTS

	Consolidated	
	2015	2014
	$'000	$'000
Opening Balance	**3,169**	2,611
Additions	**-**	558
Impairment (Note 6)	**(3,169)**	-
Closing Net Book Amount	**-**	3,169

Nomad Properties, a subsidiary of Nomad Group, has entered into an agreement with the State of Western Australia which provides Nomad with an option to enter into a lease for two lots plots of land in South Headland. These costs represent architect and design fees and site works on the two plots of land. Based on the significant uncertainty concerning the tenure and development opportunities relating to this asset it has been fully impaired during the year ended 30 June 2015.

NOTE 15 : NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	Consolidated	
	2015	2014
	$'000	$'000
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	**36**	**20**
Share issue expenses	**6**	**-**
	42	**20**
Other:		
Provisions – other	**81**	**-**
Sub-total other	**81**	**-**
Total deferred tax assets	**123**	**20**
Deferred tax assets to be recovered within 12 months	**-**	**-**
Deferred tax assets to be recovered after more than 12 months	**123**	**20**
	123	**20**

Notes to the Consolidated Financial Statements

NOTE 15 : NON-CURRENT ASSETS – DEFERRED TAX ASSETS (continued)

	Employee Benefits $'000	Other $'000	Share issue expenses $'000	Total $'000
Movements – Consolidated				
At 1 July 2013	72	-	-	72
(Charged)/ credited to the statement of profit or loss & other comprehensive income	(52)	-	-	(52)
Charged directly to equity	-	-	-	-
Acquisition of subsidiary	-	-		-
At 30 June 2014	20	-	-	20
(Charged)/ credited to the statement of profit or loss and other comprehensive income	**16**	**81**	**6**	**103**
Charged directly to equity	**-**	**-**	**-**	**-**
Acquisition of subsidiary	**-**	**-**	**-**	**-**
At 30 June 2015	**36**	**81**	**6**	**123**

Unrecognised Deferred Tax Assets	**2015**	2014
	$'000	$'000
Employee benefits	**36**	149
Contract Provisions	**2,047**	1,006
Share Issue Expenses	**11**	161
Borrowing Costs	**-**	0
Property, Plant & Equipment	**-**	273
Carried Forward Tax Losses	**8,951**	10,106
	11,045	11,695

Notes to the Consolidated Financial Statements

NOTE 16 : INTANGIBLE ASSETS

Consolidated	Note	Non-current Goodwill $'000	Current Other $'000	Total $'000
Year ended 30 June 2014				
Opening net book amount		16,416	-	16,416
Additions		-	-	-
Impairment charge		-	-	-
Closing net book amount		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		16,416	-	16,416
Year ended 30 June 2015				
Opening net book amount		**16,416**	**-**	**16,416**
Acquisitions through business combinations	**17**	**2,894**	**978**	**3,872**
Impairment charge	**6**	**(15,116)**	**-**	**(15,116)**
Amortisation	**6**	**-**	**(766)**	**(766)**
Closing net book amount		**4,194**	**212**	**4,406**
At 30 June 2015				
Cost or fair value		**91,751**	**978**	**92,729**
Accumulated amortisation and impairment		**(87,557)**	**(766)**	**(88,323)**
Net book amount		**4,194**	**212**	**4,406**

(a) Goodwill

(i) Impairment tests for goodwill

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

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

2015	**$'000**
Transportables	**1,300**
Construction	**2,894**
	4,194

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

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 year, and then extrapolating the first year using an estimated growth rate of 2.5% (2014: 3.0%) per annum for years two, three, four and five with a final terminal value adopted based on management's estimated growth rate.

Notes to the Consolidated Financial Statements

NOTE 16 : INTANGIBLE ASSETS (continued)

(a) Goodwill (continued)

Testing for impairment of goodwill is carried out on an annual basis or more frequently if events or changes in circumstances indicate that it might be impaired. During the half year ended 31 December 2014 as a result of the impairment testing process there was an impairment charge of $15,116,340 (2014: nil) made against goodwill in the Transportable CGU. This reflected subdued commercial activity in the McGrath business particularly in regions exposed to the mining industry.

The carrying value of goodwill was re-tested at 30 June 2015 and management are satisfied that following actions to improve the McGrath business no further impairment in the carrying value of the Transportable CGU goodwill is necessary.

Construction CGU goodwill arises on acquisition of BCQ and has been tested for impairment at 30 June 2015. Management are satisfied that no impairment is necessary as at the reporting date.

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

	Growth Rate %	Discount Rate %
Year ended 30 June 2015		
Transportables	**2.5**	**16.3**
Construction	**2.5**	**16.3**
Rental	**-**	**-**
Year ended 30 June 2014		
Transportables	3	17
Construction	-	-
Rental	3	17

The growth rate is based on expectations of Australia's GDP growth rate. The discount rate is based on general construction industry rates of return adjusted for a risk premium relating to the Group's recent trading performance.

(iii) Impact of possible changes in key assumptions

The recoverable amount of the goodwill of the Transportable CGU exceeds the carrying amount of goodwill at 30 June 2015. The discount rate applied to the cash flow projections would have to be 83.7% or the actual EBITDA achieved would have to be at least 69.6% below the forecasted amount for each year before the recoverable amount of goodwill would equal the carrying amount for the Transportable CGU. Management does not consider it likely that a change in any of the key assumptions would result in the need to impair goodwill.

The recoverable amount of the goodwill of the Construction CGU exceeds the carrying amount of goodwill at 30 June 2015. The discount rate applied to the cash flow projections would have to be 162.3% or the actual EBITDA achieved would have to be at least 90.6% below the forecasted amount for each year before the recoverable amount of goodwill would equal the carrying amount for the Transportable CGU. Management does not consider it reasonably likely that a change in any of the key assumptions would result in the need to impair goodwill.

(b) Other intangibles

Other intangibles comprises the fair value of the customer order book acquired in the BCQ transaction (Note 17). This asset is being amortised in line with the completion of the related construction contract.

Notes to the Consolidated Financial Statements

NOTE 17 : ACQUISITION OF SUBSIDIARY

During the year ended 30 June 2015 the Group acquired 100% of the shares and voting interests in Bloomer Constructions (Qld) Pty Ltd (BCQ) for consideration of $8,672,718. The results of BCQ have been consolidated from 1 March 2015 which is the deemed date of effective control. Shareholder approval for the transaction was received on 9 April 2015. BCQ is a leading private residential and commercial construction business principally operating in south east Queensland and Western Australia.

(a) Revenue and profit contribution

The business contributed revenues of $58m and net profit before tax of $1.6m for the year ended 30 June 2015 before acquisition and integration costs. It is expected that BCQ would have reported $113m in consolidated revenues and $3m in consolidated net profit after tax attributable to members, for the year ended 30 June 2015 had the acquisition occurred at the beginning of the reporting period.

(b) Consideration transferred

	$'000
Purchase Consideration	
Cash paid	**1,500**
Equity instruments (88,000,000 ordinary shares)	**5,368**
Deferred consideration	**2,003**
Settlement net asset adjustment	**(198)**
Total Purchase Consideration	**8,673**

The fair value of the 88 million ordinary shares issued is based on the listed share price of the Company at 9 April 2015 of $0.061 cents per share. The shares are subject to a 36 month escrow agreement with a third of the shares to be released 12 months from completion, a further third 24 months from completions and the final third 36 months from completion.

(c) Deferred consideration

The Group has agreed to pay the vendor additional consideration of up to 46,153,846 ordinary shares at a deemed issue price of $0.065 cents per share conditional upon BCQ between 1 March 2015 and 30 June 2017 having achieved an aggregate EBIT of between $5.0m and $8.0m. The full consideration of 46,153,846 ordinary shares will be payable if BCQ achieves an actual EBIT of $8.0m or more and will be reduced proportionately for each $1, up to a maximum of $3.0m, by which the actual EBIT is less than $8.0m. For example, if the actual EBIT is $7.0m the additional consideration will be 30,769,231 ordinary shares.

The Group has included $2,003,000 as contingent consideration related to the additional consideration which represents its fair value at the acquisition date. The fair value of the contingent consideration is based on the listed share price of the Company at 9 April 2015 of $0.061 cents per share and reflects the Boards expectation of full achievement of $8.0m actual EBIT.

At 30 June 2015, the contingent consideration had increased to $2,348,377 based on fair value at the reporting date.

Notes to the Consolidated Financial Statements

NOTE 17 : ACQUISITION OF SUBSIDIARY (continued)

(d) Acquisition related costs

The Group incurred acquisition related costs of $454,000 on legal fees and other professional services. These costs have been included in corporate and administration expenses.

Wayne Bloomer entered into an executive employment agreement with the Company for a term of five years pursuant to the purchase & sale agreement. The Group has agreed to issue the vendor 30,000,000 ordinary shares at a deemed issue price of $0.05 cents conditional upon Wayne Bloomer continuing to be employed under that agreement on 30 June 2017 and Wayne Bloomer not having given notice of termination of that agreement. The Company has determined the fair value of the equity settled transaction to be $1,650,000 based upon the listed share price of the Company on the date Wayne Bloomer signed the employment agreement. This expense will be accumulated over the vesting period in an equity reserve with a corresponding charge in the statement of profit or loss and other comprehensive income for the services rendered. As at 30 June 2015 the share based payment reserve was $127,000.

(e) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	Fair Value $'000
Cash and cash equivalents	**3,747**
Cash held in trust	**820**
Fair value customer order book	**978**
WIP & Inventory	**6,783**
Trade and other receivables	**12,714**
Property, plant and equipment	**262**
Trade and other payables	**(18,368)**
Loans and borrowings	**(1,101)**
Current taxation liability	**(56)**
Net identifiable assets acquired	**5,779**
Add: goodwill	**2,894**
Net assets acquired	**8,673**

Refer to Note 2, Financial Risk Management for details of the fair value of the customer contracts acquired. The fair value of other identifiable assets and liabilities assumed has been determined to closely approximate their historical carrying value.

If new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the accounting for the acquisition will be revised.

(f) Goodwill

The goodwill is attributable mainly to the design and construction expertise of the BCQ workforce and the synergies expected to be achieved from integrating the company into the Group's existing business operations. None of the goodwill recognised is expected to be deductible for tax purposes except upon any future sale of the business.

(g) Cash outflow to acquire BCQ, net of cash acquired

	$'000
Cash paid	**(1,500)**
Add balances acquired	
Cash & cash equivalents	**3,747**
Inflow of cash	**2,247**

Notes to the Consolidated Financial Statements

NOTE 18 : CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated	
	2015	2014
	$'000	$'000
Trade payables	**27,499**	1,181
Other payables	**3,124**	3,445
	30,623	4,626

NOTE 19 : INTEREST BEARING LIABILITIES

	Consolidated	
	2015	2014
	$'000	$'000
Current Liabilities		
Secured bank loans	**3,077**	-
Finance lease liabilities	**61**	-
Other borrowings	**26**	
	3,164	-

	2015	2014
	$'000	$'000
Non-current Liabilities		
Finance lease liabilities	**101**	-
	101	**-**

The secured bank loans ($3.1m) are with Australia and New Zealand Banking Group Limited (ANZ) and are secured over related party land, and assets in the course of construction for which BCQ is the construction contractor on an arms-length basis. BCQ holds a second ranking security over the land and assets, a 32 unit private residential development in metropolitan Brisbane. The nominal interest rate is 1 month BBR plus a margin of 1.5%. Peak indebtedness under the terms of the facility will be $6.9m. Interest charges on the facility are being passed on to the developer in accordance with the development agreement. The facility is repayable on completion of the construction contract.

Included within current assets at 30 June 2015 (trade receivables & inventories) is $4.2m in relation to the construction contract. The corresponding assets, trade receivables and inventory, have been assessed by the directors for impairment as at the date of this report and are considered to be fully recoverable.

Finance lease liabilities relate to items of construction plant and equipment. Non-current finance lease liabilities are repayable within 2-5 years.

Other borrowings relate to insurance premium funding at 30 June 2015.

Notes to the Consolidated Financial Statements

NOTE 20 : CURRENT LIABILITIES – PROVISIONS

	Consolidated 2015 $'000	Consolidated 2014 $'000
Employee benefits	**301**	535
Audit fees[1]	**-**	70
Contractual disputes	**596**	557
Subcontractor Superannuation	**749**	990
Onerous Lease	**716**	1,767
Other	**95**	270
	2,457	4,189

1. Included in trade and other payables at 30 June 2015

Movement in provisions

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

Consolidated 2015	Audit Fees $'000	Contractual disputes $'000	Subcontractor Superannuation $'000	Onerous Lease $'000	Other $'000	Total $'000
Current						
Carrying amount at start of year	70	557	990	1,767	270	**3,654**
Additional provisions recognised/(released)	-	309	(241)	(584)	(175)	**(691)**
Amounts used during the period	(70)	(270)	-	(467)	-	**(807)**
Carrying amount at end of the year	-	596	749	716	95	**2,156**

At 30 June 2015 accrued audit fees of $48k were included within other payables in Note 18 above.

The majority of the onerous lease provision relates to the premises at Wacol, Brisbane. The head lease runs until February 2019, and a sub-lease is in place for the full remaining term.

Notes to the Consolidated Financial Statements

NOTE 21 : NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	Consolidated 2015 $'000	2014 $'000
The balance comprises temporary differences attributable to:		
Other		
Property, plant and equipment	**-**	7
Prepayments	**14**	13
Other	**109**	-
Total deferred tax liabilities	**123**	20
Deferred tax liabilities to be settled within 12 months	**123**	13
Deferred tax liabilities to be settled after more than 12 months	**-**	7
	123	20

Deferred tax liabilities movement – consolidated	**Property, plant & equipment $'000**	**Prepayment $'000**	**Other $'000**	**Total $'000**
At 1 July 2013	54	18	-	72
Debited/ (Credited) to the statement of profit or loss and other comprehensive income	(47)	(5)	-	(52)
Acquisition of subsidiary	-	-	-	-
At 30 June 2014	**7**	**13**	**-**	**20**
Debited/ (Credited) to the statement of profit or loss and other comprehensive income	**(7)**	**1**	**109**	**103**
Acquisition of subsidiary	**-**	**-**	**-**	**-**
At 30 June 2015	**-**	**14**	**109**	**123**

NOTE 22 : NON CURRENT PROVISIONS

	Consolidated 2015 $'000	2014 $'000
Onerous lease[1]	**1,445**	-
Employee benefits-long service leave	**24**	-
	1,469	-

1. Refer to Note 20 for more information.

Notes to the Consolidated Financial Statements

NOTE 23 : CONTRIBUTED EQUITY

(a) Share Capital

	Notes	Consolidated & Parent entity		Consolidated & Parent entity	
		2015	2014	**2015**	2014
		Shares	Shares	**$'000**	$'000
Ordinary shares					
Fully paid	(b), (d), (f)	**454,727,417**	277,479,329	**117,436**	107,773
Partly paid	(c), (d), (f)	**5,000,000**	-	**50**	-
		459,727,417	277,479,329	**117,486**	107,773

(b) Movements in fully paid ordinary share capital

Date	Details	Number of shares	Issue Price	$'000
1 July 2014	Balance	277,479,329		107,773
	Shares issued during the year			
	Issued in payment of consulting fees 10 October 2014[1]	3,308,088	$0.04884	**162**
	Employee share based payment 16 October 2014[1]	2,500,000	$0.048	**120**
	Issued in business combination 4 May 2015 (Note 17)	88,000,000	$0.061	**5,368**
	Issued in payment of consulting fees 4 May 2015[1]	7,280,000	$0.05	**364**
	Placement 4 May 2015	73,410,000	$0.05	**3,670**
	Issued in payment of legal fees 29 June 2015[2]	2,750,000	$0.069	**189**
Transaction costs relating to share issues				**(210)**
30 June 2015	Balance	**454,727,417**		**117,436**

1. Refer to Note 36(d) for share based payments information
2. Issued to satisfy a liability acquired as part of the BCQ acquisition. The related expense is a pre-acquisition cost and accordingly is not recorded in the Group results.

Notes to the Consolidated Financial Statements

NOTE 23 : CONTRIBUTED EQUITY (continued)

(c) Movements in partly paid ordinary share capital

Date	Details	Number of shares	Issue Price	$'000
1 July 2014	Balance	-		-
	Shares issued during the year			
	04th May 2015 (partly paid $0.01 of $0.05)	5,000,000	$0.05	**50**
30 June 2015	Balance	**5,000,000**		**50**

On 26 February 2015, Heather Gardner and the Company entered into an employment contract pursuant to which Heather Gardner was appointed Chief Executive Officer of the Company. Under the terms of the employment contract Heather Gardner was issued with 5,000,000 shares partly paid to $0.01 per share with $0.04 per share remaining unpaid upon issue. At 30 June 2015 the unpaid amount per share had not been called by the Company.

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amount paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(e) Dividend reinvestment plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares, at a discount of 2.5% to the market price, rather than by being paid in cash. The plan was amended by the Board in August 2008 so that no discount was applied to shares issued under the plan. The dividend reinvestment plan is currently suspended.

(f) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents. Total equity is the 'Equity' amount as shown in the statement of financial position.

Notes to the Consolidated Financial Statements

NOTE 24 : RESERVES AND (ACCUMULATED LOSSES)

	Consolidated 2015 $'000	2014 $'000
(a) Option reserve		
Movements in the share option reserve were as follows:		
Balance 1 July	**106**	98
Lapsed options transferred to accumulated losses	**(106)**	-
Option expense	**45**	8
Balance 30 June	**45**	106
(b) Share based payments reserve		
Movements in the share based payments reserve were as follows:		
Balance 1 July	**-**	-
Equity settled share based payment expense	**127**	-
Balance 30 June	**127**	-
(c) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance 1 July	**(77,524)**	(70,637)
Transferred from share based payments reserve	**106**	-
Net (Loss) for the year	**(25,385)**	(6,887)
Balance 30 June	**(102,803)**	(77,524)

(d) Nature and purpose of reserves

Option reserve

The option reserve is used to recognise the issue date fair value of options issued to employees but not exercised. At 30 June 2015 the balance of the option reserve represented the employee benefit expense in respect of the 15,000,000 share options granted to Heather Gardner under the terms of her employment contract – refer to Note 36 (b).

Share based payment reserve

The share based payment reserve is used to accumulate over the related vesting period the costs of the equity settled transaction entered into with Mr Wayne Bloomer pursuant to the BCQ acquisition (see note 17).

Notes to the Consolidated Financial Statements

NOTE 25 : DISCONTINUED OPERATIONS

NOMAD MODULAR BUILDING – TRANSPORTABLES BUSINESS

(a) Description

In June 2012 the Transportables operations of Nomad Modular Building Pty Ltd were discontinued. Close out of administrative contractual requirements is expected to be finalised in the first half of the 2016 financial year.

Financial information relating to the discontinued operation for the period is set out below.

(b) Financial performance and cash flow information

	2015 $'000	2014 $'000
Results of discontinued operation		
Revenue	**-**	29
Expenses	**826**	1,127
Profit/(loss) before income tax expense	**(826)**	(1,098)
Income tax benefit/(expense)		
Net (loss) after income tax of discontinued operation	**(826)**	(1,098)
(Loss) on sale of assets	**-**	-
Income tax on gain on closure of discontinued operation	**-**	-
(Loss) from discontinued operation	**(826)**	(1,098)
Cash flows from (used in) discontinued operations		
Net cash (used in) / from operating activities	**(455)**	20
Net cash from investing activities	**411**	5
Net cash (used in) financing activities	**-**	-
Net increase/(decrease) in cash generated by the division	**(44)**	25

The carrying amounts of assets and liabilities as at 30 June 2015 were:	**2015 $'000**	2014 $'000
ASSETS		
Cash	**-**	44
Receivables	**4**	8
Inventories	**247**	95
Property, plant & equipment	**-**	-
Deferred tax assets	**-**	-
Total assets	**251**	147
LIABILITIES		
Payables	**138**	122
Loans from Related Parties	**606**	-
Provisions	**333**	24
Total Liabilities	**1,077**	146
Net (liabilities)/assets	**(826)**	1

Notes to the Consolidated Financial Statements

NOTE 25 : DISCONTINUED OPERATIONS (continued)

RAPLEY WILKINSON

(a) Description

In June 2013 the operations of Rapley Wilkinson Pty Ltd were discontinued. Close out of administrative contractual requirements is expected to be finalised in the first half of the 2016 financial year.

Financial information relating to the discontinued operation for the period is set out below.

(b) Financial performance and cash flow information

	2015 $'000	2014 $'000
Results of discontinued operation		
Revenue and other income	**163**	782
Expenses	**(460)**	(1,845)
Profit/(loss) before income tax expense	**(297)**	(1,063)
Income tax benefit/(expense)	**-**	-
Net profit/(loss) after income tax of discontinued operation	**(297)**	(1,063)
(Loss) on sale of assets	**-**	-
Income tax on gain on closure of discontinued operation	**-**	-
(Loss) from discontinued operation	**(297)**	(1,063)
Cash flows from (used in) discontinued operations		
Net cash (used in) / from operating activities	**(79)**	(270)
Net cash from / (used in) investing activities	**73**	106
Net cash (used in) financing activities		-
Net increase/(decrease) in cash generated by the division	**(6)**	(164)

The carrying amounts of assets and liabilities as at 30 June 2015 were:

	2015 $'000	2014 $'000
ASSETS		
Cash	**-**	6
Receivables	**2**	5
Inventories	**-**	-
Property, plant & equipment	**1,400**	1,815
Deferred tax assets	**-**	13
Total assets	**1,402**	1,839
LIABILITIES		
Payables	**9**	11
Loans from Related Parties	**108**	-
Deferred tax liabilities		13
Provisions	**316**	550
Total Liabilities	**433**	574
Net Assets	**969**	1,265

Notes to the Consolidated Financial Statements

NOTE 25 : DISCONTINUED OPERATIONS (continued)

NOMAD EASTERN STATES

(a) Description

In December 2013 the operations of Nomad Eastern States were discontinued. One project remains under warranty as at 30 June 2015, and provisions are recognised in the financial statements for remaining warranty costs. The main leased premises is under contract until February 2019. As at lodgement date, a sublease agreement has been put in place with a client for the full lease term. An onerous lease provision of $2.1m has been recognised in these accounts.

Financial information relating to the discontinued operation for the period is set out below.

(b) Financial performance and cash flow information

	2015 $'000	2014 $'000
Results of discontinued operation		
Revenue and other income	**16**	5,533
Expenses	**(898)**	(10,083)
Profit/(loss) before income tax expense	**(882)**	(4,550)
Income tax benefit/(expense)	**-**	-
Net profit/(loss) after income tax of discontinued operation	**(882)**	(4,550)
(Loss) on sale of assets	**-**	-
Income tax on gain on closure of discontinued operation	**-**	-
(Loss) from discontinued operation	**(882)**	(4,550)

	2015 $'000	2014 $'000
Cash flows from (used in) discontinued operations		
Net cash (used in) operating activities	**(515)**	(2,730)
Net cash from investing activities	**513**	363
Net (decrease) in cash generated by the division	**(2)**	(2,367)

The carrying amounts of assets and liabilities as at 30 June 2015 were:

	2015 $'000	2014 $'000
ASSETS		
Cash	**-**	2
Receivables	**4**	17
Inventories	**-**	-
Property, plant & equipment	**325**	462
Total assets	**329**	481
LIABILITIES		
Payables	**1**	5
Loans from Related Parties	**540**	-
Provisions	**2,139**	1,944
Total Liabilities	**2,680**	1,949
Net Liabilities	**(2,351)**	(1,468)

Notes to the Consolidated Financial Statements

NOTE 26 : DIVIDENDS

	2015 $'000	2014 $'000
(a) Ordinary shares		
No dividends were declared or paid in relation to the reporting period.	**-**	-
(b) Dividends not recognised at year end		
Since year end the directors have not declared the payment of a final dividend (2014: nil). The aggregate amount of the dividend expected to be paid out of retained profits at 30 June 2015, but not recognised as a liability at year end, is:	**-**	-

(c) Franked dividends

The franked portions of future dividend payments will be made out of existing franking credits as applicable at the time of payment.

	Consolidated	
	2015 $'000	2014 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2014 – 30%) are:	**17,829**	17,829

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

There is no change in the franking account balance as no dividends have been declared by the directors since year end and no income tax is payable in respect of the year ended 30 June 2015.

Notes to the Consolidated Financial Statements

NOTE 27 : REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the Company, its related practices and non-related audit firms:

	Consolidated 2015 $	2014 $
Audit services		
Audit and review of financial report		
- parent entity auditors BDO Audit (WA) Pty Ltd	**79,818**	113,736
- controlled entity (BCQ) auditors PKF Hacketts Pty Ltd	**14,000**	-
Non-audit services		
Tax services (from a BDO Audit (WA) Pty Ltd related entity)	**21,350**	31,726
Tax services from PKF Hacketts Pty Ltd	**7,500**	-
Other non-assurance services from PKF Hacketts Pty Ltd	**59,725**	-
Total remuneration for audit and other services	**182,393**	145,462

NOTE 28 : CONTINGENCIES

Contingent liabilities

The Group is party to contracts which in the ordinary course of business may be the subject of claims by customers or suppliers. The group where appropriate makes provision for the settlement of these claims in the financial statements. 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 nil (2014: $3,500,000) excluding those amounts where the Group considers settlement to be remote.

Contingent instruments

The Group had outstanding guarantees to the value of $5,145,717 (2014: $1,771,437) all of which are expected to be recovered without claim. Bank guarantees are provided in certain contracts as a percentage of the contract sum. Generally, two bank guarantees, each ranging from 2.5% to 5.0% 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.

There is no liability that should be recognised in relation to these guarantees.

Other than the items above the Group had no contingent liabilities at 30 June 2015 (2014: nil).

Notes to the Consolidated Financial Statements

NOTE 29 : COMMITMENTS

(a) Operating lease commitments – Group as lessee

	Consolidated 2015 $'000	2014 $'000
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	**3,021**	2,816
Later than one year but not later than five years	**7,196**	9,572
Greater than five years	**-**	378
	10,217	12,766
Representing:		
Cancellable operating leases	**-**	-
Non-cancellable operating leases	**10,217**	12,766
	10,217	12,766

The Group leases various offices and warehouses under non-cancellable operating leases usually expiring within two to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(b) Operating Sub-lease payments

	Consolidated 2015 $'000	2014 $'000
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases:		
Within one year	**884**	954
Later than one year but not later than five years	**2,316**	-
	3,200	954

(c) Finance lease commitments

	Consolidated 2015 $'000	2014 $'000
Future minimum lease payments under non-cancellable finance leases:		
Within one year	**61**	-
Later than one year but not later than five years	**101**	-
	162	-

The Group leases items of plant and equipment under non-cancellable finance leases expiring within two to five years.

Notes to the Consolidated Financial Statements

NOTE 30 : RELATED PARTY TRANSACTIONS

(a) Subsidiaries

The wholly-owned Group consists of Nomad Building Solutions Limited and its wholly owned controlled entities as detailed in note 31.

(b) Key management personnel

No provisions for bad debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

1. Key management personnel compensation

	Consolidated 2015 $	2014 $
Short-term employee benefits (salary, bonus payments and allowances)	**1,058,438**	1,627,677
Post-employment benefits	**75,070**	106,132
Share based payments	**342,155**	(85,274)
	1,475,663	1,648,535

Detailed remuneration disclosures are provided in the Remuneration Report on pages 17 to 29.

2. Loans to key management personnel

There were no loans made to directors of Nomad Building Solutions Limited or any other key management personnel of the Group, including their personally related parties, during the years ended 30 June 2015 or 30 June 2014.

3. Other Transactions with key management personnel

Included in work in progress at 30 June 2015 was $811,647 in respect of BCQ construction contracts in progress for which the related contracting parties were entities controlled by Wayne Bloomer. These contracts pre-date the acquisition of BCQ by the Company and are being completed as per the related contracts which are on an arm's length basis.

Included within Trade Creditors at 30 June 2015 is $1,356,336 in respect of loans granted by entities controlled by Wayne Bloomer. These loans relate to funding provided prior to acquisition, are repayable on demand and do not attract interest.

As disclosed in note 19 borrowings of $3.1m were in place at 30 June 2015 in respect of a related party construction contract for an entity jointly controlled by Wayne Bloomer. This debt is secured over the related party land, and assets in the course of construction for which BCQ is the construction contractor on an arms-length basis. BCQ holds a second ranking security over the land and assets, a 32 unit private residential development in metropolitan Brisbane. Interest charges on the facility are being passed on to the developer in accordance with the development agreement. The facility is repayable on completion of the construction contract. Included within current assets at 30 June 2015 (trade receivables & inventories) is $4.2m in relation to the construction contract. The corresponding assets, trade receivables and inventory, have been assessed by the directors for impairment as at the date of this report and are considered to be fully recoverable.

Notes to the Consolidated Financial Statements

NOTE 30 : RELATED PARTY TRANSACTIONS (continued)

3. **Other Transactions with key management personnel (continued)**

   Prior to the acquisition of BCQ by the Company, Wayne Bloomer had provided certain personal guarantees in respect of the BCQ business. It was a condition of the sale and purchase agreement that the Company would use its best endeavours to procure the release of Wayne Bloomer from those guarantees. In respect of personal guarantees for banking facilities this release occurred during May 2015. In respect of personal guarantees to trade suppliers the process of releasing Wayne Bloomer from these guarantees is ongoing.

   Following the acquisition of BCQ, rent charges totalling $18,000 was paid to entities controlled by Wayne Bloomer for the use of office premises for the period 1 May 2015 to 30 June 2015. The related rental contracts are on an arm's length basis.

   As part of the acquisition of BCQ, the Group has agreed to pay the vendor, Kurrewa Holdings Pty Ltd (ATF Bloomer Family Trust), an entity related to Wayne Bloomer additional consideration of up to 46,153,846 ordinary shares at a deemed issue price of $0.065 cents per share conditional upon BCQ between 1 March 2015 and 30 June 2017 having achieved an aggregate EBIT of between $5.0m and $8.0m – refer Note 17 for additional detail.

   Ryder Investment Management Pty Ltd, an entity related to Peter Constable and David Bottomley provided professional services to the Company in respect of the acquisition of BCQ. Ryder Investment Management Pty Ltd was engaged on an arms-length basis and was paid $182,000 for these services through the issue of 3,640,000 shares.

   On 4th February 2015 the Board executed a Convertible Loan Agreement with Annapurna Investments Pty Ltd (Annapurna), an entity controlled by Heather Gardner. This short term loan of $250,000 for a period of 90 days at an interest rate of 10% was convertible on maturity to 5,000,000 ordinary shares at a deemed issue price of $0.05c The Board agreed that the loan was on arms-length terms under section 210 of the Corporations Act and was in the best interests of shareholders. Interest of $6,381 was paid to Annapurna under the terms of the loan.

NOTE 31 : 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 of entity	Country of Incorporation	Class of shares	Entity holding	
			2015 %	2014 %
Bloomer Constructions (Qld) Pty Ltd	Australia	Ordinary	100	-
Pivot Way Pty Ltd	Australia	Ordinary	100	100
Nomad Properties Pty Ltd (formerly Rapley Wilkinson No 2 Pty Ltd)	Australia	Ordinary	100	100
Nomad Group Pty Ltd	Australia	Ordinary	100	-
Nomad Modular Building Pty Ltd	Australia	Ordinary	100	100
Nomad Eastern States Pty Ltd (formerly Halley Homes Pty Ltd)	Australia	Ordinary	100	100
Rapley Wilkinson Pty Ltd (formerly Sabre Nominees Pty Ltd)	Australia	Ordinary	100	100
Rapley Wilkinson Property Pty Ltd	Australia	Ordinary	100	100
RTS Group Pty Ltd (formerly Nomad Transportables Pty Ltd)	Australia	Ordinary	100	100
Lifestyle Living Solutions Pty Ltd	Australia	Ordinary	100	100
BCQ Pty Ltd	Australia	Ordinary	100	-
Pivot Way Trust	Australia	Units	100	100

All entities are directly controlled (100%) by Nomad Building Solutions Limited, parent entity.

Notes to the Consolidated Financial Statements

NOTE 32 : SEGMENT REPORTING

(a) Description of segments

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 two non-executive directors and two executive directors, along with one alternate director for one of the non-executive directors.

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.

(b) Segment information provided to the Board

Segment information provided to the Board for the year ended 30 June 2015 is as follows:

2015	Transportable	Construction	Rental	Total
	$'000	$'000	$'000	$'000
Segment Revenue				
Total segment revenue	21,828	57,961	410	80,199
Inter-segment revenue	-	-	(2)	(2)
Segment revenue from external customers	21,828	57,961	408	80,197
EBITDA	(338)	1,620	(49)	1,233
Interest revenue	11	15	-	26
Interest expense	-	5	2	7
Depreciation and amortisation	419	797	138	1,354
Segment Assets and Liabilities				
Segment assets	11,613	43,565	10,456	65,634
Segment liabilities	2,862	34,122	271	37,255
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	59	1,037	11	1,107
Impairment losses	15,116	974	5,047	21,137

Notes to the Consolidated Financial Statements

NOTE 32 : SEGMENT REPORTING (continued)

(b) Segment information provided to the Board (continued)

Segment information provided to the Board for the year ended 30 June 2014 is as follows:

2014	Transportable $'000	Construction $'000	Rental $'000	Total $'000
Segment Revenue				
Total segment revenue	36,719		1,053	37,772
Inter-segment revenue	-		-	-
Segment revenue from external customers	36,719		1,053	37,772
EBITDA	2,543		389	2,932
Interest revenue	50		1	51
Interest expense	-	-	-	-
Depreciation and amortisation	213	-	801	1,014
Segment Assets and Liabilities				
Segment assets	27,335	3,169	14,923	45,427
Segment liabilities	2,722	-	2,670	5,392
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	177	557	30	764

Notes to the Consolidated Financial Statements

NOTE 32 : SEGMENT REPORTING (continued)

(c) Other segment information

(i) Segment revenue

Inter-segment revenue comprises sales between segments which are on arm's length terms. Segment revenues from external customers are measured in accordance with the accounting policy described in note 1(d).

Segment revenue reconciles to total revenue from continuing operations as follows:

	Consolidated	
	2015 $'000	2014 $'000
Total segment revenue	**80,197**	37,772
Interest revenue	**75**	167
Total revenue from continuing operations (Note 4)	**80,272**	37,940

(ii) EBITDA

The Board monitors segment performance based on EBITDA. This measure excludes non-recurring expenditure such as impairments and share-based payments as well interest expense and unrealised gains/losses on financial instruments, which are considered part of the treasury function.

EBITDA reconciles to operating profit before income tax as follows:

	Consolidated	
	2015 $'000	2014 $'000
Total segment EBITDA	**1,233**	2,932
Revenue not attributable to operating segments	**(36)**	99
Interest Revenue	**76**	167
Finance costs	**(100)**	(66)
Depreciation and amortisation	**(1,368)**	(1,054)
Corporate overhead recharge	**-**	(2,145)
Impairment	**(21,137)**	-
Consultants and legal expenses	**(173)**	(389)
Employee benefits expenses	**(834)**	(1,315)
Other Expenses	**(171)**	1,588
Share-based payments	**(871)**	8
Operating (Loss) / Profit before income tax from continuing operations	**(23,381)**	(175)

Notes to the Consolidated Financial Statements

NOTE 32 : SEGMENT REPORTING (continued)

(c) Other segment information (continued)

(iii) Segment assets

Segment asset amounts provided to the Board are measured in the same way that they are measured in the financial statements. Assets are allocated based on the operations of the segment and the physical location of the asset. Assets used jointly by reportable segments are allocated based on revenues earned. Financial instruments other than segment receivables and payables are part of the treasury function and not allocated to segments.

Segment assets reconcile to total assets as follows:

	Consolidated	
	2015 $'000	2014 $'000
Segment assets	**65,634**	45,427
Inter-segment eliminations	**(13,719)**	(10,343)
Current tax asset	**62**	-
Deferred tax assets	**123**	20
Non-segment assets	**5,888**	5,960
Total assets per statement of financial position	**57,988**	41,064

(iv) Segment liabilities

Segment liability amounts provided to the Board are measured in the same way that they are measured in the financial statements. Liabilities are allocated based on the operations of the segment. Liabilities incurred jointly by reportable segments are allocated based on total capital required by individual segments. Borrowings are part of the treasury function and not allocated to segments.

Segment liabilities reconcile to total liabilities as follows:

	Consolidated	
	2015 $'000	2014 $'000
Segment liabilities	**37,255**	5,392
Inter-segment eliminations	**(13,719)**	-
Secured bank loan	**-**	-
Deferred tax liabilities	**123**	20
Non-segment liabilities	**19,474**	5,297
Total liabilities per statement of financial position	**43,133**	10,709

Notes to the Consolidated Financial Statements

NOTE 33 : EVENTS OCCURRING AFTER THE REPORTING DATE

On 21 August 2015, the Company announced that its McGrath Modular business had secured a significant sub-contract valued at $25m for the delivery of 50 modular houses in Onslow, approximately 1,370kms north of Perth.

During August 2015 McGrath Modular secured a $750,000 trade finance facility with National Australia Bank. The facility is secured by a general security interest over the assets of the Group. The facility was fully drawn down during August 2015.

Since 30 June 2015, Nomad has re-entered into an agreement for the sublease of its leased property in Wacol Brisbane. The sublease, which expired on 30 June 2015 has been extended to February 2019 in line with the head-lease and is for an annual rental of $700,000 plus outgoings.

No other matters or circumstances have arisen since 30 June 2015 that has significantly affected, or may significantly affect:

a) the Group's operations in future financial years;

b) the results of those operations in future financial years; or

c) the Group's state of affairs in future financial years.

NOTE 34 : RECONCILIATION OF (LOSS) AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2015	2014
	$'000	$'000
(Loss) for the year	**(25,385)**	(6,887)
Add/(Less) items:		
Depreciation and amortisation	**1,388**	1,163
Impairment charge – goodwill	**15,116**	-
Impairment charge – leasehold developments	**3,169**	-
Impairment charge – investment property	**1,878**	-
Impairment charge – assets held for sale	**400**	557
Impairment charge – property, plant, equipment	**118**	-
Loss on disposal of property, plant, equipment	**403**	-
Revaluation of contingent consideration	**345**	-
Equity settled transactions	**696**	-
Written down value of non-current assets sold	**-**	493
Share-based payments	**172**	8
Bad / Doubtful debts	**974**	101
Interest received	**(76)**	-
Other movement in provisions	**(200)**	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade debtors	**(9,130)**	9,333
(Increase)/decrease in inventories	**(6,648)**	11,133
(Increase) / decrease in other operating assets	**-**	(2,914)
(Increase)/decrease in deferred tax asset	**(103)**	52
Increase/(decrease) in trade creditors & other payables	**11,691**	(16,556)
(Decrease) in current tax liability	**(119)**	-
(Increase) in non-current provisions	**(138)**	-
Increase/(decrease) in provision for deferred tax liability	**103**	(52)
Net cash used in operating activities	**(5,346)**	(3,569)

Non-cash financing and investing activities

The purchase consideration for the acquisition of BCQ included payment in the form of NBS shares. The vendor received 88,000,000 NBS shares in part consideration ($5,368,000) for the business – refer note 17.

Notes to the Consolidated Financial Statements

NOTE 35: EARNINGS PER SHARE

		Consolidated 2015	2014
		Cents	Cents
(a)	**Basic (loss) per share**	**(8.2)**	(2.5)
(b)	**Diluted (loss) per share**	**(8.2)**	(2.5)
(c)	**Basic (loss) per share from continuing operations**	**(7.6)**	(0.06)
(d)	**Diluted (loss) per share from continuing operations**	**(7.6)**	(0.06)
(e)	**Reconciliations of (loss) / earnings used in calculating earnings per share**	**$'000**	$'000
	Basic and diluted earnings / (loss) per share:		
	(Loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings / (loss) per share	**(25,385)**	(6,887)
	(Loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings / (loss) per share	**(25,385)**	(6,887)
	(Loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings / (loss) per share from continuing operations	**(23,381)**	(175)
	(Loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings / (loss) per share from continuing operations	**(23,381)**	(175)
(f)	**Weighted average number of shares used as the denominator**	**Number**	Number
	Weighted average number of shares used as the denominator in calculating basic earnings per share	**308,394,850**	277,479,329
	Adjustment for calculation of diluted earnings per share for options	**-**	-
	Weighted average number of shares used as the denominator in calculating diluted earnings per share	**308,394,850**	277,479,329

(g) Information concerning the classification of securities

Options granted to employees are considered to be potential ordinary shares. Options on issue at the reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share, hence they are considered anti-dilutive. Accordingly, the diluted loss per share is the same as the basic loss per share. Details relating to the options are set out in note 36.

Notes to the Consolidated Financial Statements

NOTE 36: SHARE-BASED PAYMENTS

(a) Nomad Long Term Incentive Plans

On 26 May 2011 and 25 September 2012 the Group established employee option plans designed to provide long-term incentives for executives and managers to deliver superior long-term shareholder returns. There were no outstanding options under these plans at 30 June 2015. Options forfeited during the financial year due to employee resignations are scheduled below.

Set out below are summaries of options issued under the plans:

2015

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Issued during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable at end of the year
		$	Number	Number	Number	Number	Number	Number
30/06/11	30/6/2016	$0.1300	2,300,000	-	-	(2,300,000)	-	-
12/12/12	12/12/17	$0.0950	1,700,000	-	-	(1,700,000)	-	-
Total			4,000,000	-	-	(4,000,000)	-	-
Weighted average exercise price			$0.12	-	-	$0.12	-	-

2014

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Issued during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable at end of the year
		$	Number	Number	Number	Number	Number	Number
30/06/11	30/6/2016	$0.1300	2,300,000	-	-	-	2,300,000	-
12/12/12	12/12/17	$0.0950	1,700,000	-		-	1,700,000	-
12/12/12	12/12/17	$0.0950	5,000,000	-	-	(5,000,000)	-	-
Total			9,000,000	-	-	(5,000,000)	4,000,000	-
Weighted average exercise price			$0.10	-	-	$0.10	$0.12	-

There were no share options under Nomad Long Term Incentive Plans outstanding at the end of the period. The weighted average remaining contractual life of share options outstanding at 30 June 2014 was 2.6 years.

Notes to the Consolidated Financial Statements

NOTE 36: SHARE-BASED PAYMENTS (continued)

(b) Other employee options

On 26 February 2015, Heather Gardner and the Company entered into an employment contract pursuant to which Heather Gardner was appointed Chief Executive Officer of the Company. Under the terms of the employment contract Heather Gardner was issued with 15,000,000 options to be issued in three separate tranches as follows:

- 5,000,000 options will vest on 26 February 2016, with an exercise price of $0.08 per share (Tranche 1);
- 5,000,000 options will vest on 26 February 2017, with an exercise price of $0.10 per share (Tranche 2); and
- 5,000,000 options will vest on 26 February 2018, with an exercise price of $0.12 per share (Tranche 3).

Options may only be exercised if Heather Gardner is employed by the Company on the exercise date of the options and has been continuously employed by the Company since the grant of the options. Each option will expire 12 months after the vesting date for the relevant option.

The fair value of the Heather Gardner options has been independently valued using Black Scholes option pricing model. Service and non-market performance conditions attached to the transactions were not taken into account in measuring fair value. The assessed fair value at issue date of options issued to the individuals is allocated equally over the period from issue date to vesting dates and the amount is included in the tables above. The inputs used in the measurement of the fair values at grant date were as follows

	Tranche 1	Tranche 2	Tranche 3
Fair value at grant date	$0.01354	$0.01541	$0.01606
Share price at grant date	$0.054	$0.054	$0.054
Exercise price	$0.08	$0.10	$0.12
Expected volatility	66%	66.9%	64.4%
Expected dividends	0%	0%	0%
Risk free interest rate	1.8%	1.8%	1.87%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term.

NOTE 36: SHARE-BASED PAYMENTS (continued)

(c) Other

On 26 February 2015, Heather Gardner and the Company entered into an employment contract pursuant to which Heather Gardner was appointed Chief Executive Officer of the Company. Under the terms of the employment contract Heather Gardner was issued with 5,000,000 shares partly paid to $0.01 per share with $0.04 per share remaining unpaid upon issue. At 30 June 2015 the unpaid amount per share had not been called by the Company.

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period both as part of employee benefit expense and other expenses were as follows:

	Consolidated	
	2015	2014
	$'000	$'000
Employees		
Options issued under Nomad LTI plan	**-**	8
Other employee options	**45**	-
Partly paid shares (Note 23)	**50**	-
First earn-out (Note 17)	**127**	-
Retention bonus	**120**	-
	342	8
Consulting fees	**526**	-
Total share based payments expense	**868**	8

Notes to the Consolidated Financial Statements

NOTE 37: DEED OF CROSS GUARANTEE

Nomad Building Solutions Limited and Pivotway Pty Ltd (McGrath) are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entities, if they are a reporting entity, have been relieved from the requirement to prepare financial statements and directors' reports under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Nomad Building Solutions Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2015 of the closed group consisting of Nomad Building Solutions Limited and Pivotway Pty Ltd. The closed group consisting of Nomad Building Solutions Limited and Pivotway Pty Ltd was created during the year ended 30 June 2015. No comparatives for the year ended 30 June 2014 are shown below as the closed group in that period consisted of the Company and all its subsidiary entities. The information for the closed group that existed in respect of the year ended 30 June 2014 is disclosed throughout this report in the comparative notes.

Consolidated Statement of Profit or Loss and Other Comprehensive Income	**2015 $'000**
Revenue from continuing operations	**21,888**
Other income / (loss)	**(355)**
Raw materials, consumables and contract labour	**(16,841)**
Employee benefits expense	**(3,582)**
Depreciation and amortisation expense	**(432)**
Borrowing cost expense	**(93)**
Operating lease costs	**(1,340)**
Corporate and administration expenses	**(2,231)**
Impairment expense	**(15,116)**
Other expenses	**(884)**
(Loss) before income tax	**(18,986)**
Income tax (expense)	**-**
Total comprehensive (loss) for the year	**(18,986)**

Movement in retained earnings	**2015 $'000**
(Accumulated losses) / Retained earnings at the beginning of the financial year	**(92,621)**
(Loss) / profit for the period	**(18,986)**
Employee share options lapsed	**106**
Accumulated losses at the end of the financial year	**(111,501)**

Notes to the Consolidated Financial Statements

NOTE 37: DEED OF CROSS GUARANTEE (continued)

Consolidated Statement of Financial Position	**2015 $'000**
ASSETS	
Current assets	
Cash and cash equivalents	**2,466**
Cash held in trust	**1,541**
Trade and other receivables	**2,115**
Inventories	**2,045**
Total current assets	**8,167**
Non-current assets	
Investments	**8,673**
Property, plant and equipment	**2,047**
Deferred tax assets	**123**
Intangible assets	**1,300**
Other receivables	**2,084**
Total non-current assets	**14,228**
Total assets	**22,395**
LIABILITIES	
Current liabilities	
Trade and other payables	**2,645**
Deferred income	**535**
Interest bearing liabilities	**26**
Provisions	**1,022**
Total current liabilities	**4,228**
Non-current liabilities	
Deferred tax liabilities	**123**
Provisions	**2,348**
Other non-current payables	**9,711**
Total non-current liabilities	**12,182**
Total liabilities	**16,410**
Net assets	**5,985**
EQUITY	
Contributed equity	**117,486**
Reserves	**172**
(Accumulated losses)	**(111,673)**
Total equity	**5,985**

Notes to the Consolidated Financial Statements

NOTE 38: PARENT ENTITY SUMMARY

The results for Nomad Building Solutions Pty Ltd ('parent entity') are summarised below:

	Note	Parent entity 2015 $'000	2014 $'000
Net (loss) / profit and total comprehensive (expense) / Income attributable to members of Nomad Building Solutions Limited		**(12,210)**	(2,145)
Total current assets		**2,080**	2,343
Total non-current assets		**19,435**	7,897
Total assets		**21,515**	10,240
Total current liabilities		**586**	544
Total non-current liabilities		**13,984**	60
Total liabilities		**14,570**	604
Net assets		**6,945**	9,637
Equity			
Contributed equity	23	**117,486**	107,773
Reserves		**172**	106
Accumulated losses		**(110,713)**	(98,241)
Total equity		**6,945**	9,637

Operating lease commitments

	Parent entity 2015 $'000	2014 $'000
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	**70**	68
Later than one year but not later than five years	**-**	70
	70	138
Representing:		
Non-cancellable operating leases	**70**	138
	70	138

As per note 37 Nomad Building Solutions Limited and Pivotway Pty Ltd (McGrath) are parties to a deed of cross guarantee under which each company guarantees the debts of the other. The total liabilities of all subsidiaries party to deeds of cross guarantee was $2,870,000 (2014: $10,157,000).

The parent entity had no other capital commitments or contingent liability at 30 June 2015 (2014: nil)

Directors' Declaration

The directors of the Company declare that:

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 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Group.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

4. The Group has included in the Notes to the Consolidated Financial Statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

Nomad Building Solutions Limited and Pivotway Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. At the date of this declaration there are reasonable grounds to believe that the companies which are parties to this deed of cross guarantee will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject to, by virtue of the deed of cross guarantee described in note 37.

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
Executive Director

Brisbane
29 September 2015

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Nomad Building Solutions Limited

Report on the Financial Report

We have audited the accompanying financial report of Nomad Building Solutions Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, 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 report.

Opinion

In our opinion:

(a) the financial report of Nomad Building Solutions Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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 responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Nomad Building Solutions Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Glyn O'Brien

Director

Perth, 29 September 2015

Shareholder Information and Corporate Governance Statement

The shareholder information set out below was applicable as at 25 September 2015.

A. Distribution of equity securities

Range	Securities	%	No. of holders
100,001 and Over	410,478,400	90.27	392
50,001 to 100,000	19,800,290	4.35	259
10,001 to 50,000	19,836,698	4.36	756
5,001 to 10,000	2,971,453	0.65	365
1,001 to 5,000	1,542,356	0.34	512
1 to 1,000	98,220	0.02	304
Total	**454,727,417**	**100.00**	**2,588**

B. Equity security holders

Rank	Name	25 Sep 2015	%IC
1	KURREWA HOLDINGS PTY LTD	88,000,000	19.35
2	REDAN STREET PTY LTD	14,155,000	3.11
3	MR ROBERT CONSTABLE & MRS JANET MARIE CONSTABLE	11,000,000	2.42
4	NORFOLK ENCHANTS PTY LTD	10,640,759	2.34
5	BYRINDY PTY LTD	9,025,000	1.98
6	FARIWEST PTY LTD	8,500,000	1.87
7	MR KAI LIU	7,550,000	1.66
8	ANNAPURNA INVESTMENT HOLDINGS PTY LTD	7,500,000	1.65
9	MR GERALD FRANCIS PAULEY & MR MICHAEL JAMES PAULEY	7,353,799	1.62
10	MR MARK FORSTMANN & MS JOANNE LARRATT	7,000,000	1.54
11	MR TIMOTHY LINDSAY MCCAUGHEY	6,601,000	1.45
12	DAHO PTY LTD	6,000,000	1.32
13	MOAT INVESTMENTS PTY LTD	5,700,000	1.25
14	WAVET FUND NO 2 PTY LTD	5,000,000	1.10
15	GERICHTER SUPER INVESTMENTS PTY LTD	4,780,000	1.05
16	BFA SUPER PTY LTD	4,625,920	1.02
17	KATHLAC PTY LTD	4,500,000	0.99
18	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	4,384,178	0.96
19	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,376,981	0.96
20	RIVER VIEW SUPER PTY LTD	4,354,746	0.96
	Total	**221,047,383**	**48.61**
	Balance of register	**233,680,034**	**51.39**
	Grand total	**454,727,417**	**100.00**

Shareholder Information and Corporate Governance Statement

C. Substantial Shareholders

Rank	Name	25 Sep 2015	%IC
1	KURREWA HOLDINGS PTY LTD	88,000,000	19.35
2	P CONSTABLE & ASSOCIATED ENTITIES AND D BOTTOMLEY & ASSOCIATED ENTITIES	34,180,000	7.52

As advised in the notice lodged on 6 May 2015 Mr Peter Constable and associated entities and Mr David Bottomley and associated entities held a substantial shareholding in the Company at 25 September 2015.

D. Voting Rights

The Company has ordinary shares on issue. At a general meeting of the Company, every member present in person, or by proxy, attorney or representative, shall have one vote on a show of hands and, on a poll, one vote for each fully paid share held.

E. Corporate Governance Statement

A copy of the Corporate Governance Statement can be found on our website. Visit www.nomadbuildingsolutions.com.au.

Corporate Information

Nomad Building Solutions Limited

ABN 52 117 371 418

Directors

Mr Peter Constable (Non-executive Chairman)

Ms Heather Gardner (Chief Executive Officer)

Mr Lachlan McIntosh (Non-executive Director)

Mt Wayne Bloomer (Chief Executive, Bloomer)

Share Registry Services

Link Market Services Limited

Level 15, 324 Queen Street, Brisbane, QLD 4000

Telephone: (07) 3320 2211

Email: registrars@linkmarketservices.com.au

Website: www.linkmarketservices.com.au

Chief Financial Officer

Mr Pat McMahon

Company Secretary

Mr Oliver Schweizer

Auditors

BDO Audit (WA) Pty Ltd

Solicitors

Mills Oakley

Principle Registered Office in Australia

Level 1, 4 Kyabra Street, Newstead, QLD 4006

Principle Bankers

National Australia Bank

Website

www.nomadbuildingsolutions.com.au

Australian Securities Exchange Listing

Nomad Building Solutions Limited's shares are listed on the Australian Securities Exchange. ASX Code: NOD

2015

Nomad Building Solutions
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