



HALF YEAR FINANCIAL REPORT

31 DECEMBER 2013

ASX HALF-YEAR INFORMATION – 31 DECEMBER 2013

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

This information should be read in conjunction with the 30 June 2013 Annual Report of Nomad Building Solutions Limited.

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NOMAD BUILDING SOLUTIONS LIMITED

ABN 52 117 371 418

HALF-YEAR ENDED 31 DECEMBER 2013

APPENDIX 4D

Results for Announcement to the Market

28 February 2014

\$'000

Revenue from continuing operations up 30% to	25,686
Loss for the half-year	(1,187)
Loss attributable to members of Nomad Building Solutions Limited	(1,187)

Dividends	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil

Payment date of dividend

N/A

Record date for determining entitlements to the dividend

N/A

Date of receipt of Dividend Reinvestment Plan notices

N/A

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HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2013

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Nomad Building Solutions Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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Directors' Report

Your directors present their report on the consolidated entity consisting of Nomad Building Solutions Limited and the entities it controlled ("the Group") at the end of, or during the half-year ended 31 December 2013.

Directors

The names of persons who were directors of Nomad Building Solutions Limited ("Nomad" or "the Company") during the whole of the half-year and up to the date of this report are:

David John Franklyn – Non-executive Chairman. Was non-executive director for the whole period until his appointment as Chairman on 28 November 2013

Peter Charles Constable – Non-executive Director

David Harold Bottomley – Alternate Director to Peter Constable

Peter John Hogan – Non-executive Director. Was Managing Director for the whole period until his resignation and appointment as a Non-executive Director on 30 November 2013

Andrew John Sturcke was appointed as Managing Director on 01 December 2013.

Peter Graham Abery resigned as non-executive Chairman on 28 November 2013

Andrew Sturcke remains as the sole company secretary for the Nomad Group.

Review of Operations

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

	December 2013 \$'000	December 2012 \$'000
Revenue	25,686	19,825
Other	22	409
Total revenue	25,708	20,234
Profit from continuing operations before income tax	936	1,453
Income tax expense	-	(447)
Loss from discontinued operations	(2,123)	(8,356)
Net Loss attributable to members of Nomad Building Solutions Limited	(1,187)	(7,350)

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Directors' Report
Cont'd...

Comments on the operations and the results of those operations are set out below:

Nomad Building Solutions Limited reports a net loss after tax of \$1.2M for the half-year ended 31 December 2013. Total revenue for the half-year decreased by 6.9% to \$32.3M.

Result

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

	Half-year ended 31 December 2013		Half-year ended 31 December 2012		Increase / (Decrease)	
	\$M	% of Revenue	\$M	% of Revenue	\$m	%
Revenue	25.7		19.8	-	5.9	29.8
EBITDA	1.5	5.8	3.3	16.5	(1.8)	(55.5)
EBIT	1.0	3.7	1.7	8.8	(0.7)	(41.2)
Net Profit / (Loss) after tax	0.9	3.6	1.0	5.1	(0.1)	(10)
Basic Earnings/ (Loss) per share	0.3c		0.4c			

EBITDA stands for earnings before interest expense, tax depreciation and amortisation, and before goodwill impairment charges.

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

Review of Operations

EBITDA from continuing operations is \$1.5M for the half year to 31 December 2013. This has been achieved primarily from a solid and improved performance from McGrath Homes.

McGrath Homes has reported an EBITDA of \$2.1M on sales revenue of \$24.9M for the half year. Commercial projects, including the Rio Tinto Wickham housing project generated \$16M of revenue half with private residential generating 9M.

Nomad Rental now comprises one primary operating asset, a 56 room accommodation facility (Karratha Village) in Karratha, WA. Consistent with lower activity in the Karratha region, there has been a decrease in the level of occupancy for the facility. The average occupancy rate for the first half of FY2014 was 50%, considerably lower than the 90% rate achieved previously. At the 50% occupancy rate the facility provided an EBITDA return of \$0.5M for the first half.

Rapley projects are now all complete. The business achieved EBITDA of \$0.1M reflecting improved results on final closure of projects offset by the remaining overhead costs.

Nomad Modular continued its focus on closing down the remaining projects and produced an EBITDA loss of \$0.3M reflecting the cost of the remaining management and administration resources. As reported in December 2013 the long standing claim with Thiess Decmil Kentz Joint Venture (TDK) was settled for a final cash payment

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of \$2.1M. The amount payable has been previously fully provided for and such has had no impact on current profit result. Three projects now remain to be closed.

Nomad Eastern States has been placed in care and maintenance and is now classified as a discontinued operation in the accounts. The decision to place the business in care and maintenance was made in October 2013 as a result of a continuing poor near term outlook in Queensland, particularly in the mining services sector in which NES operates. NES has reported a \$1.8M EBITDA loss for the half year comprising \$1.4M of operating / overhead costs and \$0.7 of one off redundancy costs offset by \$0.3M of asset sales.

The retrenchment of the NES workforce is now complete and all projects are closed out, albeit several remain in the defects liability period. The remaining activities to complete the NES closure are 1) the sub lease of the Wacol premises. The lease is in place until Feb 2019 represents a significant commitment for rent and outgoings and as such this is a priority objective for management, and 2) the sale of land and display homes, expected to contribute cash of approximately \$0.4M.

Corporate has reported an EBITDA loss of \$1.1M for the half year, an improvement of \$0.9M from \$2M for the corresponding previous half year period. The current annualised rate for corporate overhead costs is \$1.5M from \$3.9M in FY2013, \$5.2M in FY2012 and \$8.2M in FY2011. Following the management and Board restructure in December 2013 a number of cost saving initiatives are still being progressed to achieve the targeted annual rate of \$0.9M.

Nomad is pleased to announce that it has recently signed an agreement with the Bank of Queensland for the provision of a \$5M bank guarantee facility and is in the process of replacing outstanding Westpac bank guarantees with Bank of Queensland bank guarantees.

Cash at bank at 31 December 2013 was \$6.4M (including \$3.2M in trust as security for bank guarantees) against cash at bank at 30 June 2013 of \$11.3M (including \$6.4M in trust). The adverse movement of \$4.9M for the half comprises \$2.1M payment to TDK, \$1.5M from losses at NES and, \$1.7M McGrath working capital (resulting from payments due in December, not received until January) offset by \$0.5M from asset sales.

As at February 27, cash at bank is \$8.3M, including \$3.2M in trust.

No interim dividend has been declared in respect of the six months ending 31 December 2013. Directors intend to recommence paying dividends when circumstances allow.

Outlook

McGrath Homes is expected to produce an increase in revenue and EBITDA for private residential for the second half of FY2014 but a lower result from commercial activities with the completion of the Rio Tinto housing project in January 2014. The expectation for higher private residential sales in the second half is driven by a significant increase in the number of enquiries and resultant sales in the last few months. The annualised current revenue rate for private residential is now approximately \$25M, and is a significant improvement on the revenue levels achieved prior to September 2013 when the annualised rate was circa \$16M. There are a number of smaller value commercial projects currently in progress at McGrath and a number of others in the pipeline are expected to contribute EBITDA in the second half and partially replace the Rio project.

The medium and longer term outlook remains positive for McGrath Homes. Management will continue to focus heavily on increasing the market share for private residential. This will be achieved by continued focus on advertising, sales training to increase the conversion rate of enquiry to sales, product innovation and new designs and productivity / cost saving initiatives. In addition McGrath will look to expand the range of commercial customers. Traditionally McGrath has serviced predominantly the mining and mining services sectors. Areas of prospective expansion identified to date retirement / lifestyle accommodation and government regional housing and related project work.

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

Nomad has been investigating the development of a site in South Hedland over which it has held an option to convert to leasehold. Nomad is currently in discussions with the relevant authorities over the terms and structure of this landholding and the best means of developing this asset.

Rapley has retained core expertise in tendering, project management and administration. This core team, under the direction and support of McGrath management will identify and tender on appropriate in-situ construction opportunities.

Rapley completed 5 two bedroom, 2 bathroom units in Derby, WA during the first half of FY2014. These units are now being marketed for sale and are expected to contribute circa \$2.4M in cash proceeds.

Corporate

There will be a continued focus on reducing corporate overheads and implementing productivity / cost saving initiatives across the whole organisation.

The Board will continue to evaluate appropriate corporate growth opportunities via mergers and/or acquisitions.

In addition there will be a continued focus on strengthening the balance sheet with a view to utilising the company's substantial tax losses (\$27M) and franking credits (\$17M) via a dividend payment and / or a return of capital to shareholders in due course.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Rounding of Amounts

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

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



Andrew Sturcke
Managing Director

Perth
28 February 2014

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF NOMAD BUILDING SOLUTIONS LIMITED

As lead auditor for the review of Nomad Building Solutions Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

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

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



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 28 February 2014

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2013

	Note	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Revenue from continuing operations		25,686	19,825
Other income		22	409
Raw materials, consumables and contract labour		(19,510)	(11,246)
Employee benefits expense		(2,543)	(3,050)
Depreciation and amortisation expenses		(532)	(1,542)
Borrowing cost expense		(26)	(282)
Operating lease cost		(875)	(978)
Corporate and administration expenses		(854)	(1,045)
Other expenses		(432)	(638)
Profit before income tax expense		936	1,453
Income tax expense		-	(447)
Net profit from continuing operations		936	1,006
Loss from discontinued operations net of income tax	3	(2,123)	(8,356)
Total comprehensive loss for the half year		(1,187)	(7,350)
Net loss and total comprehensive income attributable to members of Nomad Building Solutions Limited		(1,187)	(7,350)
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company		Cents	Cents
Basic loss per share	10	(0.4)	(2.7)
Diluted loss per share	10	(0.4)	(2.7)
Continuing operations			
Basic Earnings/(loss) per share	10	0.3	0.4
Diluted Earnings/(loss) per share	10	0.3	0.4

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

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Consolidated Statement of Financial Position As at 31 December 2013

	Note	31 December 2013 \$'000	30 June 2013 \$'000
ASSETS			
Cash and cash equivalents		3,260	4,930
Cash Held in trust		3,169	6,394
Trade and other receivables		7,305	12,260
Inventories		3,906	12,580
Assets Held as Available for Sale	6	5,493	3,553
Total current assets		<u>23,133</u>	<u>39,717</u>
Non-current assets			
Trade and other receivables		268	-
Property, plant and equipment	4	3,518	4,507
Investment property	5	-	-
Capitalised development costs		2,624	2,611
Deferred tax assets		72	72
Intangible assets	7	16,416	16,416
Total non-current assets		<u>22,898</u>	<u>23,606</u>
Total assets		<u>46,031</u>	<u>63,323</u>
LIABILITIES			
Current liabilities			
Trade and other payables		5,872	19,190
Deferred income		1,971	2,618
Borrowings	8	-	-
Provisions		2,029	4,181
Total current liabilities		<u>9,872</u>	<u>25,989</u>
Non-current liabilities			
Deferred tax liabilities		72	72
Provisions		33	28
Total non-current liabilities		<u>105</u>	<u>100</u>
Total liabilities		<u>9,977</u>	<u>26,089</u>
Net assets		<u>36,054</u>	<u>37,234</u>
EQUITY			
Contributed equity	9	107,773	107,773
Reserves		106	98
(Accumulated losses)		(71,825)	(70,637)
Total equity		<u>36,054</u>	<u>37,234</u>

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

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Consolidated Statement of Changes in Equity For the half-year ended 31 December 2013

	Note	Contributed Equity \$'000	Option Reserve \$'000	Accumulated (Losses) \$'000	Total \$'000
Balance at 1 July 2012		107,773	49	(56,931)	50,891
Total comprehensive (loss) for the half year		-	-	(7,350)	(7,350)
<hr/>					
Transactions with owners in their capacity as owners:					
Employee share options		-	24	-	24
<hr/>					
Balance as at 31 December 2012		107,773	73	(64,281)	43,565
<hr/>					
Balance at 1 July 2013		107,773	98	(70,637)	37,234
Total comprehensive (loss) for the half year		-	-	(1,187)	(1,187)
<hr/>					
Transactions with owners in their capacity as owners:					
Employee share options		-	8	-	8
<hr/>					
Balance as at 31 December 2013		107,773	106	(71,825)	36,054

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

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Consolidated Statement of Cash Flows For the half-year ended 31 December 2013

	Note	Half-year	
		2013 \$'000	2012 \$'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		43,769	53,937
Payments to suppliers and employees (inclusive of GST)		(49,002)	(51,764)
Cash generated from operations		(5,233)	2,172
Interest and other costs of finance paid		(26)	(282)
Income tax benefit		-	-
Net cash inflow / (outflow) from operating activities		(5,259)	1,891
Cash flow from investing activities			
Payments for property, plant and equipment		(142)	(5,314)
Proceeds from sale of property, plant and equipment		493	3,408
Payments from / (to) cash held in trust		3,271	(2,278)
Interest received		82	73
Net cash inflow / (outflow) from investing activities		3,704	(4,111)
Cash inflow from financing activities			
Proceeds from issue of shares net of issue costs		-	-
Repayment of secured borrowings		-	(6,422)
Repayment of hire purchase and lease liabilities		(115)	-
Dividends paid		-	-
Net cash (outflow) from financing activities		(115)	(6,422)
Net (decrease) in cash and cash equivalents		(1,670)	(8,643)
Cash and cash equivalents at beginning of period		4,930	10,180
Cash and cash equivalents at the end of the half-year		3,260	1,537

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

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Notes to the consolidated financial statements For the half-year ended 31 December 2013

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

The general purpose financial report for the interim half-year reporting period ended 31 December 2013 has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. Accordingly, the interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Nomad Building Solutions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below. The following accounting changes did not have a material effect on the financial performance and position of the Group.

AASB 10 Consolidated Financial Statements

AASB 10 establishes a new control model that applies to all entities. It replaces the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements and in Interpretation 112 Consolidation – Special Purpose Entities. Under the new principles, 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 over the entity.

AASB 11 Joint Arrangements

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement,

AASB 13 Fair Value Management

AASB13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted.

AASB 19 Employee Benefits

AASB 119 has changed the definition of short-term employee benefits. The revised standard distinguishes between short-term and long-term employee benefits on the basis of whether the benefits are expected to be settled wholly within 12 months after the reporting date.

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Notes to the consolidated financial statements
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Note 2. Segment information

(a) Segments as reported within the business from 1 July 2013

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

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

For the six months ended 31 December:

	Transportables \$'000	Construction \$'000	Rental \$'000	Total \$'000
Half-year 2013				
Total Segment Revenue	24,892	-	727	25,619
Inter-segment sales	-	-	-	-
Segment revenue from external customers	24,892	-	727	25,619
Segment EBITDA	2,129	-	484	2,613
Segment Assets (at 31 December 2013)	30,913	2,624	7,496	41,033
Segment Liabilities (at 31 December 2013)	5,996	-	2,146	8,142
Half-year 2012				
Total Segment Revenue	11,470	-	8,296	19,766
Intersegment sales	-	-	-	-
Segment revenue from external customers	11,470	-	8,296	19,766
Segment EBITDA	(20)	-	5,297	5,277
Segment Assets (at 30 June 2013)	29,198	2,611	7,701	39,510
Segment Liabilities (at 30 June 2013)	6,324	-	2,421	8,745

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

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Note. 2 cont...

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

	Half-year	
	2013 \$'000	2012 \$'000
Total Segment EBITDA	2,613	5,277
Inter Segment eliminations	-	-
Revenue not attributable to operating segments	99	117
Interest Revenue	66	51
Finance costs	(27)	(282)
Depreciation and amortisation	(532)	(1,542)
Consultants and legal expenses	(154)	(189)
Employee benefits expense	(818)	(1,082)
Other expenses	(311)	(898)
Operating Profit before income tax for continuing operations	<u>936</u>	<u>1,453</u>

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

	Half-year	June
	2013 \$'000	2013 \$'000
Total Segment Assets	41,033	39,510
Inter Segment eliminations	(11,499)	(11,658)
Deferred Tax Assets	72	72
Non-segment Assets	<u>16,426</u>	<u>35,399</u>
Total Assets per Statement of Financial Position	<u>46,031</u>	<u>63,323</u>

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

	Half-year 2013 \$'000	June 2013 \$'000
Total Segment Liabilities	8,142	8,745
Inter Segment eliminations	(11,499)	(11,658)
Deferred Tax Liabilities	72	72
Non-segment Liabilities	13,262	28,930
Total Liabilities per Statement of Financial Position	<u>9,977</u>	<u>26,089</u>

Note 3. Discontinued operation

In June 2012 the Transportable operations of Nomad Modular Building Pty Ltd were discontinued.

In June 2013 the operations of Rapley Wilkinson were discontinued.

In November 2013 the operations of Nomad Eastern States were discontinued.

Close out of administrative contractual requirements is expected by the end of the 2014 financial year

The Rapley Wilkinson and Nomad Eastern States entities were not discontinued operations or classified as held for sale as at 31 December 2012 and the comparative Statement of Profit or Loss and Other Comprehensive Income has been re-presented to show these discontinued operation separately to continuing operations.

	Half-year	
	2013 \$'000	2012 \$'000
Results of discontinued operation		
Revenue	6,269	14,871
Expenses	(8,392)	(24,665)
(Loss) before income tax expense	<u>(2,123)</u>	<u>(9,794)</u>
Income tax benefit/(expense)	-	1,438
Net (loss) for half-year	<u>(2,123)</u>	<u>(8,356)</u>
Gain on sale of assets	-	-
Income tax on gain on closure of discontinued operation	-	-
(Loss) for half-year	<u>(2,123)</u>	<u>(8,356)</u>

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Notes to the consolidated financial statements
For the half-year ended 31 December 2013

Note. 3 cont...

	Half-year	
	2013	2012
	\$'000	\$'000
Results of discontinued operation		
Cash flows from (used in) discontinued operations		
Net cash from/ (used in) operating activities	(2,238)	(2,865)
Net cash from investing activities	401	1,935
Net cash (used in)/from financing activities	-	
	<u>(1,837)</u>	<u>(930)</u>
	Half-year	June
	2013	2013
	\$'000	\$'000
Results of discontinued operation		
Carrying amounts of assets and liabilities		
Cash and Cash Equivalents	720	2,557
Receivables	416	6,713
Work in Progress	568	10,389
Property, plant and equipment	2,876	1,323
Other	13	13
Total Assets	<u>4,593</u>	<u>20,995</u>
Trade creditors	949	12,724
Other	33	13
Provisions	419	455
Total Liabilities	<u>1,401</u>	<u>13,192</u>
Net Assets	<u>3,192</u>	<u>7,803</u>

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Notes to the consolidated financial statements
For the half-year ended 31 December 2013

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

	Hire buildings \$'000	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Year ended 30 June 2013				
Opening net book amount	8,193	166	2,223	10,582
Additions	697	3,618	153	4,468
Disposals	(6,463)	(1,939)	(487)	(8,889)
Depreciation charge	(1,156)	(2)	(496)	(1,654)
Closing net book amount	1,271	1,843	1,393	4,507
At 30 June 2013				
Cost or fair value	1,991	1,892	3,975	7,858
Accumulated depreciation	(720)	(49)	(2,582)	(3,351)
Net book amount	1,271	1,843	1,393	4,507
Period ended 31 December 2013				
Opening net book amount	1,271	1,843	1,393	4,507
Additions	11	2,406	48	2,465
Disposals	(161)	(325)	(443)	(929)
Transfers to Investment Property	-	-	-	-
Assets included in a disposal group Classified as held for sale	-	(2,352)	-	(2,352)
Depreciation charge	(15)	(12)	(146)	(173)
Closing net book amount	1,106	1,560	852	3,518
At 31 December 2013				
Cost or fair value	1,659	1,392	1,971	5,022
Accumulated depreciation	(553)	166	(1,119)	(1,504)
Net book amount	1,106	1,560	852	3,518

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Notes to the consolidated financial statements
For the half-year ended 31 December 2013

Note 5. Non-current assets – investment property

	Consolidated	
	31 December 2013 \$'000	30 June 2013 \$'000
Opening net book amount	-	4,357
Transfers from property, plant and equipment	-	-
Disposals	-	-
Assets classified as held for sale	-	(3,553)
Depreciation charge	-	(804)
Balance	-	-

Note 6. Assets Classified as Available for Sale

	Consolidated	
	31 December 2013 \$'000	30 June 2013 \$'000
Non-current assets held for sale		
Opening net book amount	3,553	-
Additions	34	-
Transfer from property, plant & equipment	2,352	-
Transfer from investment property		3,553
Depreciation charge	(446)	-
Closing net book amount	5,493	3,553

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Note 7. Non-current assets – intangible assets

	Note	Goodwill \$'000	Total \$'000
Year to 30 June 2013			
Opening net book amount at 1 July 2012		21,416	21,416
Impairment charge		(5,000)	(5,000)
Closing net book amount at 30 June 2013		<u>16,416</u>	<u>16,416</u>
At 30 June 2013			
Cost or fair value		88,857	88,857
Accumulated amortisation and impairment		(72,441)	(72,441)
Net book amount at 30 June 2013		<u>16,416</u>	<u>16,416</u>
Period 31 December 2013			
Opening net book amount at 1 July 2013		16,416	16,416
Provision for impairment		-	-
Closing net book amount at 31 December 2013		<u>16,416</u>	<u>16,416</u>
At 31 December 2013			
Cost or fair value		88,857	88,857
Accumulated amortisation and impairment		(72,441)	(72,441)
Net book amount at 31 December 2013		<u>16,416</u>	<u>16,416</u>

(a) Impairment tests for goodwill

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

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

31 December 2013	\$'000
Transportables	16,416
Construction	
	<u>16,416</u>
30 June 2013	\$'000
Transportables	16,416
Construction	-
	<u>16,416</u>

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Note. 7 cont...

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections for a five year period based on financial budgets approved by management for the following year, and then extrapolating the first year using an estimated growth rate of 3.0% (2012: 3.0%) per annum for years two, three, four and five with a final terminal value adopted.

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.

- (b) **Key assumptions used for value-in-use calculations**
The growth rate is based on expectations of Australia's GDP growth rate. Underperforming businesses are expected to return to a normal profit level through years one and two, before standard growth rates have been applied for years three to five. The discount rate of 20% is based on general construction industry rates of return adjusted for a risk premium relating to the Group's current trading performance.
- (c) **Impact of possible changes in key assumptions**
The recoverable amount of the goodwill of each CGU exceeds the carrying amount of goodwill at 31 December 2013. The discount rate applied to the cash flow projections would have to increase by at least 4.6%, or the actual EBITDA achieved would have to be at least 12% below the forecasted amount for each year before the recoverable amount of goodwill would equal the carrying amount for any of the CGU's separately assessed given the assumptions noted above.
- (d) **Impairment charge**
As a result of the above impairment testing process, no impairment (2012: \$5,000,000) has been brought to account in the current period as an impairment charge against the Group's construction segment.

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Note 8. Current Borrowings

No borrowings existed at 31 December 2013 or at any stage during the half year.

Contractual maturities of financial liabilities:

	Less than 6 months \$'000	6 – 12 months \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Total contractual cash flows \$'000	Carrying amount (assets)/ liabilities \$'000
Non-derivatives						
At 31 December 2013						
Trade payables	5,872	-	-	-	5,872	5,872
Borrowings (exclude hire purchase liability)	-	-	-	-	-	-
Hire Purchase	-	-	-	-	-	-
	<u>5,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,872</u>	<u>5,872</u>
Non-derivatives						
At 30 June 2013						
Trade Payables	19,190	-	-	-	19,190	19,190
Borrowings (exclude hire purchase liability)	-	-	-	-	-	-
Hire Purchase	-	-	-	-	-	-
	<u>19,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,190</u>	<u>19,190</u>

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Note 9. Equity securities issued

	Half-year		Half-year	
	2013 Shares	2012 Shares	2013 \$'000	2012 \$'000
Issues of ordinary shares during the half-year				
Share Placement	-	-	-	-
Rights Issue	-	-	-	-
Less: Transaction costs arising on share issues	-	-	-	-
Income tax on transaction costs	-	-	-	-
Total movement	-	-	-	-
Total shares on issue	277,479,329	277,479,329	107,773	107,773

Note 10. Earnings per share

	Half-year	
	2013 Cents	2012 Cents
Basic Earnings / (Loss) per share		
From Continuing Operations	0.3	0.3
From Discontinued Operations	(0.7)	(3.0)
Total Basic Earnings / (Loss) per share	(0.4)	(2.7)
Diluted Earnings / (Loss) per share		
From Continuing Operations	0.3	0.3
From Discontinued Operations	(0.7)	(3.0)
Total Diluted Earnings / (Loss) per share	(0.4)	(2.7)
	Number	Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	277,479,329	277,479,329
Weighted average number of shares used as the denominator in calculating diluted earnings per share	277,479,329	277,479,329

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Notes to the consolidated financial statements
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Note 11. Related Parties

No significant related party transactions occurred in the half year end 31 December 2013.

Note 12. Contingent liabilities

The Group is party to a number of contracts which through the ordinary course of business are now the subject of claims by customers or suppliers. The Group has reviewed these claims and, where appropriate, made provision in the accounts for settlement of the claims. Where the Group does not believe a liability will exist it has not made a provision. If all claims were to be settled at the total claim amount then the amount not provided for is approximately \$2,700,000 (30 June 2013 \$3,500,000). A reduction has occurred in the period as a result of issues being settled or otherwise being provided for.

Contingent instruments

The Group had outstanding guarantees to the value of \$1,993,404 (30 June 2013: \$5,674,764). Bank guarantees are provided in certain contracts as a percentage of the contract sum. Generally, two bank guarantees, each for 2.5% to 5% of the contract sum are provided to:

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

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

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

Note 13. Events subsequent to reporting date

As at 31 December 2013, Nomad Group is in the process of changing its banking facilities, moving from Westpac to Bank of Queensland.

Note 14. Rounding of amounts

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

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HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

DECLARATION BY DIRECTORS

31 DECEMBER 2013

In the directors' opinion:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian accounting standard AASB134:Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements ; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Andrew Sturcke
Managing Director

Perth
28 February 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nomad Building Solutions Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nomad Building Solutions Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nomad Building Solutions Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The signature starts with 'BDO' in a stylized font, followed by a signature that appears to be 'Glyn O'Brien'.

Glyn O'Brien

Director

Perth, 28 February 2014

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Supplementary Appendix 4D Information For the half-year ended 31 December 2013

ASSETS PER SHARE

	31 December 2013	30 June 2013	31 December 2012
	Cents	Cents	Cents
Net tangible asset backing per ordinary share	7.1	7.5	9.8
Net asset backing per ordinary share	13.0	13.4	15.7

DIVIDENDS

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

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

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