



**nomad**

building solutions limited

ABN 52 117 371 418

# **HALF YEAR FINANCIAL REPORT**

**31 DECEMBER 2008**

## **ASX HALF-YEAR INFORMATION – 31 DECEMBER 2008**

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

This information should be read in conjunction with the 30 June 2008 Annual Report

### **Contents**

Results for Announcement to the Market	Page 1
Half-year Financial Report	Page 2
Supplementary Appendix 4D Information	Page 25

## HALF-YEAR ENDED 31 DECEMBER 2008

### APPENDIX 4D

#### Results for Announcement to the Market

	<b>\$'000</b>
<b>Revenue</b> from continuing operations up 61.8% to	234,471
<b>Profit</b> for the half-year down 87.2% to	1,326
<b>Profit</b> attributable to members of Nomad Building Solutions Limited down 87.2% to	1,326

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Interim dividend	2.0 cents	2.0 cents
Previous corresponding period	4.0 cents	4.0 cents

Payment date of dividend

24 April 2009

Record date for determining entitlements to the dividend

3 April 2009

Date of receipt of Dividend Reinvestment Plan notices

3 April 2009

# HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2008

## Contents

Director's Report	Page 3
Auditors' Independence Declaration	Page 7
Income Statement	Page 8
Balance Sheet	Page 9
Statement of Recognised Income and Expense	Page 10
Cash Flow Statement	Page 11
Notes to the Financial Statements	Page 12
Director's Declaration	Page 22
Auditors' Independent Review Report to the Members	Page 23

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 2008 and any public announcements made by Nomad Building Solutions Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT

31 DECEMBER 2008

## Directors' Report

Your directors present their report on the consolidated entity consisting of Nomad Building Solutions Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

### Directors

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

Richard Lennox Blair – Non-executive Chairman

Alan John Thomas – Acting Manager Director (appointed as Acting Managing Director on 19 January 2009)

Peter John Slaughter – Non-executive Director

Wayne James McGrath – Director and CEO McGrath Homes

Peter Graham Abery was appointed as a Non-executive Director on 28 July 2008

Geoffrey Lloyd Allen retired as a Director on 31 December 2008

Phillip Wayne Guy resigned as Managing Director on 19 January 2009

### Review of Operations

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

	2008 \$'000	2007 \$'000
Revenue	234,471	144,944
Other	97	586
Total revenue	234,568	145,530
Profit before income tax (before unusual items)	11,148	15,035
Impairment of goodwill	(6,852)	-
Profit before income tax	4,296	15,035
Income tax expense	(2,970)	(4,667)
<b>Net profit attributable to members of Nomad Building Solutions Limited</b>	<b>1,326</b>	<b>10,368</b>

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT

## 31 DECEMBER 2008

### 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 profit after tax of \$8.2m (before goodwill impairment) for the half-year ended 31 December 2008 representing a reduction of 21.2% over the previous corresponding period. The reported net profit after tax is \$1.3m after allowing for \$6.9m for the impairment of goodwill arising from the acquisition of the Rapley Wilkinson business in March 2008. Total revenue for the half-year increased by 61.8% to \$234.5m.

The board has declared an interim dividend of 2.0 cents per share, fully franked, payable on 24 April 2009. The dividend reinvestment plan continues to be available to eligible shareholders with a 2.5% discount applicable.

#### Result

The trading result for the half-year, excluding impairment of goodwill, is summarised as follows:

	Half-year ended 31 December 2008		Half-year ended 31 December 2007		Increase	
	\$m	% of Revenue	\$m	% of Revenue	\$m	%
Revenue	234.5	-	145.5	-	89.0	61.8
EBITDA	18.0	7.7	19.1	13.1	(1.1)	(5.8)
EBIT	13.0	5.5	16.2	11.1	(3.2)	(19.8)
Net profit after tax	8.2	3.5	10.4	7.1	(2.2)	(21.2)
Earnings per share (basic)	6.0c		8.9c		(2.9c)	(32.6)

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

- The transportable housing operations, McGrath Homes and Halley Homes, have continued to perform well in both WA and Queensland,
- The Rapley Wilkinson construction business has performed at a satisfactory level but has been impacted by the deferral of a number of projects that were expected to commence late in 2008. However, since the new year the business has seen an increase in tendering activity,
- Problems in the Nomad Modular Building division in WA, specifically relating to installation works, have significantly affected the Group's result. These problems have been experienced across a number of contracts including a significant loss on one turnkey project nearing completion.

Since the appointment of Mr Alan Thomas as Acting Managing Director on 19 January 2009, the Nomad Modular Building division in WA has been restructured to ensure problems experienced in the first half are not repeated. Actions taken include:

- The appointment of Mr Wayne McGrath, CEO of McGrath Homes and an executive director, as Group Operations Manager,
- The transfer of the McGrath Homes project housing manager to manufacturing manager of Nomad Modular Building in WA,
- The transfer of the installation works conducted by Nomad Modular Building in WA to Rapley Wilkinson.

The Chief Executive Officer of the Nomad Modular Building business, Mr Phil Hatt, has tendered his resignation.

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT

31 DECEMBER 2008

## Directors' Report

Cont'd...

The Group is continually addressing overheads to ensure that these costs reflect both the changed business operations and market outlook. Actions taken include the transfer of the Lifestyle Living modular business to McGrath Homes with rationalisation of facilities and people.

Cash flow from operations for the period was strong at \$20.9m with capital management of key importance in these uncertain market conditions.

During the half year the company invested \$5.6m in land in Wangara WA for McGrath Homes to consolidate the manufacturing operations for transportable housing operations, \$12.3m in the hire fleet, \$2.5m on the 56 person village in Karratha and \$0.8m on new transportable home display units. The hire fleet continues to experience strong utilisation and the board now considers the hire fleet to be sufficient to meet medium term demand.

Total borrowings at 31 December 2008 were \$47.1m with net debt to equity being 23.2%. Net debt to equity is forecast to be around 25% at 30 June 2009.

The Company is currently undertaking the annual review process with its principal banker, Westpac. The current facilities expire in April 2010 except for a \$6.0m cash advance facility that expires in June 2009. Westpac have been requested to extend the \$6.0m cash advance facility to April 2010 to coincide with the remaining facilities and are considering this as part of the annual review.

### Outlook

There has been a noticeable increase in enquiries and requests for tenders, including from the mining sector, although the timing of contract awards and the impact on short term results is difficult to forecast. There are a number of large projects being tendered for commencement in 2010 including Gorgon and Olympic Dam.

The Group is expected to benefit from the Western Australian State Government's Royalties for Regions initiative and the \$42b stimulus package recently announced by the federal government through the construction and transportable homes divisions. Work from these programs is expected to flow in the 2010 financial year.

The recent turmoil in financial markets continues to cloud the short-term outlook with the deferral of a number of projects that were expected to commence early in 2009.

The Group is forecasting a net profit (excluding the impairment of goodwill adjustment of \$6.9m) for the 2009 financial year in the order of \$21m.

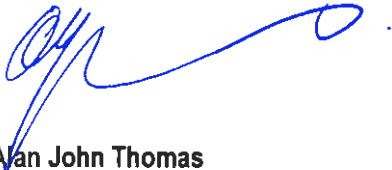
**HALF-YEAR CONSOLIDATED FINANCIAL REPORT  
31 DECEMBER 2008**

**Directors' Report**  
cont'd

**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 the 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:



**Alan John Thomas**  
**Acting Managing Director**

PERTH  
24 February 2009



BDO Kendalls

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24<sup>th</sup> February 2009

Board of Directors  
Nomad Building Solutions Limited  
65 Burswood Road  
Burswood WA 6100

Dear Sirs

**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 half year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contravenions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- 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 Kendalls Audit & Assurance (WA) Pty Ltd  
Perth, Western Australia.

BDO Kendalls is a national association of separate partnerships and entities

**HALF-YEAR CONSOLIDATED FINANCIAL REPORT**
**Consolidated income statement  
For the half-year ended 31 December 2008**

	Note	2008 \$'000	2007 \$'000
Revenue from continuing operations		234,471	144,944
Other income		97	586
Raw materials, consumables and contract labour		(191,780)	(112,969)
Employee benefits expense		(13,903)	(6,966)
Depreciation and amortisation expenses		(5,020)	(2,853)
Borrowing cost expense		(1,832)	(1,211)
Impairment of intangibles	5	(6,852)	-
Operating lease cost		(2,854)	(2,164)
Other expenses		(8,031)	(4,332)
Profit before income tax expense		4,296	15,035
Income tax expense		(2,970)	(4,667)
Net profit for the half-year		1,326	10,368
<b>Net profit attributable to members of Nomad Building Solutions Limited</b>		<b>1,326</b>	<b>10,368</b>
Earnings per share for profit attributable to the ordinary equity holders of the company			
		Cents	Cents
Basic earnings per share	7	1.0	8.9
Diluted earnings per share	7	1.0	8.9

*The above consolidated income statement should be read in conjunction with the accompanying notes.*

**HALF-YEAR CONSOLIDATED FINANCIAL REPORT**
**Consolidated balance sheet  
As at 31 December 2008**

	Note	31 December 2008 \$'000	30 June 2008 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		21,006	22,188
Trade and other receivables		49,466	54,996
Current tax receivable		1,696	-
Inventories		20,222	26,236
<b>Total current assets</b>		<b>92,390</b>	<b>103,420</b>
<b>Non-current assets</b>			
Receivables		194	194
Property, plant and equipment	4	58,367	40,474
Deferred tax assets		1,438	1,781
Intangible assets	5	82,031	89,588
<b>Total non-current assets</b>		<b>142,030</b>	<b>132,037</b>
<b>TOTAL ASSETS</b>		<b>234,420</b>	<b>235,457</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		73,866	72,752
Borrowings		13,563	10,216
Current tax liabilities		-	3,838
Provisions		391	977
<b>Total current liabilities</b>		<b>87,820</b>	<b>87,783</b>
<b>Non Current Liabilities</b>			
Borrowings		33,554	28,111
Deferred tax liabilities		118	353
Provisions		156	123
<b>Total non-current liabilities</b>		<b>33,828</b>	<b>28,587</b>
<b>Total liabilities</b>		<b>121,648</b>	<b>116,370</b>
<b>Net assets</b>		<b>112,772</b>	<b>119,087</b>
<b>EQUITY</b>			
Contributed equity	6	92,961	92,119
Reserves		131	1,173
Retained profits		19,680	25,795
<b>Total equity</b>		<b>112,772</b>	<b>119,087</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## HALF-YEAR CONSOLIDATED FINANCIAL REPORT

### Consolidated statement of recognised income and expense For the half-year ended 31 December 2008

	Half-year	
	2008	2007
	\$'000	\$'000
Net income recognised directly in equity	-	-
Profit for the half-year	1,326	10,368
<b>Total recognised income and expense for the half-year</b>	<b>1,326</b>	<b>10,368</b>
<b>Attributable to:</b>		
Members of Nomad Building Solutions Limited	<b>1,326</b>	<b>10,368</b>

*The above statement of recognised income and expense should be read in conjunction with the accompanying notes.*

## HALF-YEAR CONSOLIDATED FINANCIAL REPORT

### Consolidated cash flow statement For the half-year ended 31 December 2008

	Note	Half-year	
		2008 \$'000	2007 \$'000
<b>Cash flow from operating activities</b>			
Receipts from customers (inclusive of GST)		271,051	139,018
Payments to suppliers and employees (inclusive of GST)		(239,969)	(137,347)
Cash generated from operations		31,082	1,671
Interest and other costs of finance paid		(1,832)	(1,211)
Income taxes (paid)		(8,397)	(5,049)
<b>Net cash inflow (outflow) from operating activities</b>		<b>20,853</b>	<b>(4,589)</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment		(22,458)	(10,522)
Proceeds from sale of property, plant and equipment		7	-
Payment for purchase of subsidiary net of cash acquired	8	(2,041)	(4,385)
Payment towards other investments		-	(241)
Interest received		265	163
<b>Net cash (outflow) from investing activities</b>		<b>(24,227)</b>	<b>(14,985)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares net of issue costs		(3)	(2)
Proceeds from borrowings		14,978	11,539
Repayment of hire purchase and lease liabilities		(6,188)	(3,329)
Dividends paid		(6,595)	(3,456)
<b>Net cash inflow from financing activities</b>		<b>2,192</b>	<b>4,752</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(1,182)</b>	<b>(14,822)</b>
Cash and cash equivalents at beginning of period		22,188	13,890
<b>Cash and cash equivalents at the end of the half-year</b>	10	<b>21,006</b>	<b>(932)</b>

*The above consolidated cash flow statement should be read in conjunction with the accompanying notes.*

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT

## Notes to the financial statements For the half-year ended 31 December 2008

### **Note 1. Basis of preparation of half-year financial statements**

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This 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 consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2008 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 same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report and corresponding interim reporting period.

### **Note 2. Segment information**

#### **(a) Description of business segments**

##### **Business segments**

The consolidated entity is organised into the following divisions by product and service type.

##### *Transportables*

The manufacture of transportable buildings, project management and installation.

##### *Construction*

The construction of in-situ buildings and property development management.

The consolidated entity operated in one business segment, transportables, within Australia up until the acquisition of Rapley Wilkinson in March 2008.

##### **Geographical segment**

The consolidated entity's divisions operate in one geographical area being Australia.

## HALF-YEAR CONSOLIDATED FINANCIAL REPORT

### Notes to the financial statements For the half-year ended 31 December 2008 cont'd...

(b) Primary reporting format – business segments

2008	Transportables \$'000	Construction \$'000	Consolidated \$'000
<b>Segment revenue</b>			
Sales to external customers	190,241	43,965	234,206
Intersegment sales	-	-	-
<b>Total sales revenue</b>	<u>190,241</u>	<u>43,965</u>	<u>234,206</u>
Other revenue	69	28	97
<b>Total segment revenue</b>	<u>190,310</u>	<u>43,993</u>	<u>234,303</u>
Intersegment elimination			-
Unallocated revenue			265
<b>Consolidated revenue</b>			<u>234,568</u>
<b>Segment result</b>	<u>10,201</u>	<u>1,692</u>	<u>11,893</u>
Intersegment elimination			-
Impairment of goodwill			(6,852)
Unallocated revenue less unallocated expenses			(745)
<b>Profit before income tax</b>			<u>4,296</u>
Income tax expense			(2,970)
<b>Profit after tax</b>			<u>1,326</u>

**Note 3. Dividends**

	Half-year	
	2008 \$'000	2007 \$'000
<b>Ordinary shares</b>		
Dividends paid during the half-year	7,440	4,686

**Dividends not recognised at the end of the half-year**

Since the end of the half-year, the directors have declared the payment of an interim dividend amounting to \$2,716,240 representing a fully franked dividend of 2 cents per fully paid ordinary share. The dividend has not been provided for the half-year interim financial report.

## HALF-YEAR CONSOLIDATED FINANCIAL REPORT

**Notes to the financial statements**  
**For the half-year ended 31 December 2008**  
 conf'd...

**Note 4. Non-current Assets – Property, Plant & Equipment**

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
<b>Year ended 30 June 2008</b>			
Opening net book amount	19,494	2,757	22,251
Additions	18,217	4,025	22,242
Acquisition of controlled entities	1,008	1,606	2,614
Disposals	(1,094)	(109)	(1,203)
Depreciation charge	(4,104)	(1,326)	(5,430)
<b>Closing net book amount</b>	<b>33,521</b>	<b>6,953</b>	<b>40,474</b>
<b>At 30 June 2008</b>			
Cost or fair value	39,995	9,254	49,249
Accumulated depreciation	(6,474)	(2,301)	(8,775)
<b>Net book amount</b>	<b>33,521</b>	<b>6,953</b>	<b>40,474</b>
<b>Period ended 31 December 2008</b>			
Opening net book amount	33,521	6,953	40,474
Additions	21,298	1,350	22,648
Acquisition of controlled entities	-	-	-
Disposals	(495)	(22)	(517)
Depreciation charge	(3,348)	(890)	(4,238)
<b>Closing net book amount</b>	<b>50,976</b>	<b>7,391</b>	<b>58,367</b>
<b>At 31 December 2008</b>			
Cost or fair value	60,305	10,530	70,835
Accumulated depreciation	(9,329)	(3,139)	(12,468)
<b>Net book amount</b>	<b>50,976</b>	<b>7,391</b>	<b>58,367</b>

## HALF-YEAR CONSOLIDATED FINANCIAL REPORT

### Notes to the financial statements For the half-year ended 31 December 2008

cont'd...

#### Note 5. Non-current assets – intangible assets

	Note	Goodwill \$'000	Customer Contracts \$'000	Customer Relationships \$'000	Total \$'000
<b>Year to 30 June 2008</b>					
Opening net book amount at 1 July 2007		41,841	381	512	42,734
Additions	8	43,687	1,361	-	45,048
Acquisition costs associated to acquisition of subsidiary	8	2,886	-	-	2,886
Amortisation charge		-	(931)	(149)	(1,080)
<b>Closing net book amount at 30 June 2008</b>		<b>88,414</b>	<b>811</b>	<b>363</b>	<b>89,588</b>
<b>At 30 June 2008</b>					
Cost or fair value		88,414	3,658	741	92,813
Accumulated amortisation and impairment		-	(2,847)	(378)	(3,225)
<b>Net book amount at 30 June 2008</b>		<b>88,414</b>	<b>811</b>	<b>363</b>	<b>89,588</b>
<b>Period 31 December 2008</b>					
Opening net book amount at 1 July 2008		88,414	811	363	89,588
Additions \ adjustments		(17)	-	-	(17)
Acquisition costs associated to acquisition of subsidiary	8	96	-	-	96
Provision for impairment		(6,852)	-	-	(6,852)
Amortisation charge		-	(709)	(75)	(784)
<b>Closing net book amount at 31 December 2008</b>		<b>81,641</b>	<b>102</b>	<b>288</b>	<b>82,031</b>
<b>At 31 December 2008</b>					
Cost or fair value		88,493	3,658	741	92,892
Accumulated amortisation and impairment		(6,852)	(3,556)	(453)	(10,861)
<b>Net book amount at 31 December 2008</b>		<b>81,641</b>	<b>102</b>	<b>288</b>	<b>82,031</b>

Amortisation of \$783,156 (2007: \$541,811) is included in depreciation and amortisation expense in the income statement. Customer contracts are amortised over the life of the contract in the order book at the date of acquisition of the business. All contracts are expected to be completed by 30 April 2009. Customer relationships are amortised over a 5 year period to 31 December 2010.

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT

## Notes to the financial statements For the half-year ended 31 December 2008 cont'd...

(a) **Impairment tests for goodwill**

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

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 for years two through five. The recoverable amount is then compared with the carrying value of the assets of that unit.

Testing for impairment of goodwill is carried out on a bi-annual basis or sooner if there are circumstances that suggest there is impairment.

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

The value of customer contracts and relationships is reduced to reflect cost contingencies, including contract, client, capital and withdrawal risks.

Growth rates have been assessed by business unit with negative rates forecast in year 2 and modest growth for years 3 to 5. Given the volatility of the current economic climate, it is possible that market conditions could occur that fall outside the expected growth rates adopted, the impact of which will continue to be monitored.

A discount rate of 12% is applied which represents the Group's weighted average cost of capital.

(c) **Impairment charge**

As a result of the above impairment testing process, an amount of \$6.9m has been brought to account in the current period as an impairment charge against the Group's construction segment.

## HALF-YEAR CONSOLIDATED FINANCIAL REPORT

### Notes to the financial statements For the half-year ended 31 December 2008 cont'd...

#### Note 6. Equity securities issued

	Half-year		Half-year	
	2008 Shares	2007 Shares	2008 \$'000	2007 \$'000
<b>Issues of ordinary shares during the half-year</b>				
Share issue as part consideration for acquisition of controlled entity	-	673,401	-	2,000
Dividend Reinvestment Plan issues	538,307	457,042	845	1,230
			845	3,230
Less: Transaction costs arising on share issues			(3)	(2)
<b>Total movement</b>	<b>538,307</b>	<b>1,130,443</b>	<b>842</b>	<b>3,228</b>
<b>Total shares on issue</b>	<b>135,812,015</b>	<b>117,596,567</b>	<b>92,961</b>	<b>50,829</b>

#### Note 7. Earnings per share

	Half-year	
	2008 Cents	2007 Cents
Basic earnings per share	1.0	8.9
Diluted earnings per share	1.0	8.9

	Number	Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	135,472,648	117,049,654
Weighted average number of shares used as the denominator in calculating diluted earnings per share	138,022,049	117,049,654

Earnings per share for profit from continuing operations (exc. impairment of goodwill) attributable to the ordinary equity holders of the company:

	Half-year	
	2008 Cents	2007 Cents
Basic earnings per share	6.0	8.9
Diluted earnings per share	5.9	8.9

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT

## Notes to the financial statements For the half-year ended 31 December 2008 cont'd...

### Note 8. Business combinations

#### Year ended 30 June 2008

During the year ended 30 June 2008 the Group acquired the assets and business of Halley Homes and the construction, transportable and property management businesses of Rapley Wilkinson. Details of the acquisitions are set out below.

It is not practicable to disclose the revenue and the net profit of the combined entities as though the business combinations were acquired at the start of the period, as the pre-acquisition financial information remains the property of the vendors.

#### HALLEY HOMES

##### (a) Summary of acquisition

On 6 September 2007 Nomad Homes Pty Limited, a wholly owned subsidiary of Nomad Building Solutions Limited, acquired the assets and business of Halley Homes Pty Ltd. Nomad Homes Pty Ltd subsequently changed its name to Halley Homes Pty Ltd.

The acquired business contributed revenues of \$15,464,000 and net profit of \$795,000 to the Group for the period from 6 September 2007 to 30 June 2008.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

Purchase consideration (refer to (b) below):

	<b>\$'000</b>
Cash paid	3,935
Equity – script for script roll over	2,000
Direct costs relating to the acquisition	451
<b>Total purchase consideration</b>	<b>6,386</b>
Fair value of net identifiable assets acquired (refer to (c) below)	(947)
<b>Goodwill (refer to (c) below and note 5)</b>	<b>5,439</b>

##### (b) Purchase consideration

Outflow of cash to acquire subsidiary, net of cash acquired:

Cash consideration	4,386
Less cash acquired	-
<b>Outflow of cash</b>	<b>4,386</b>

## HALF-YEAR CONSOLIDATED FINANCIAL REPORT

Notes to the financial statements  
For the half-year ended 31 December 2008  
cont'd...

(c) **Assets and liabilities acquired**

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount \$'000	Fair value \$'000
Customer contracts	-	86
Property, plant and equipment	935	935
Deferred tax assets	26	26
Inventory	12	12
Deferred tax liabilities	-	(26)
Employee entitlements	(86)	(86)
<b>Net identifiable assets acquired</b>	<b>887</b>	<b>947</b>

The goodwill is attributable to the high profitability of the acquired business. The carrying value of assets and liabilities acquired approximate their fair value. No acquisition provisions were created.

### RAPLEY WILKINSON

(a) **Summary of acquisition**

On 4 March 2008 Nomad Building Solutions Ltd acquired the construction, transportable and property management businesses of Rapley Wilkinson through the purchase of shares in Sabre Nominees Pty Ltd and Rapley Wilkinson Property Pty Ltd. Sabre Nominees Pty Ltd subsequently changed its name to Rapley Wilkinson Pty Ltd.

The acquired businesses contributed revenues of \$35,534,000 and net profit of \$2,773,000 to the Group for the period from 4 March 2008 to 30 June 2008.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Rapley Wilkinson Pty Ltd \$'000	Rapley Wilkinson Property Pty Ltd \$'000	TOTAL \$'000
Purchase consideration (refer to (b) below):			
Cash paid	26,879	1,170	28,049
Equity – script for script roll over	13,300	700	14,000
Direct costs relating to the acquisition	2,531	-	2,531
<b>Total purchase consideration</b>	<b>42,710</b>	<b>1,870</b>	<b>44,580</b>
Fair value of net identifiable assets acquired (refer to (c) below)	(3,240)	(127)	(3,367)
<b>Goodwill (refer to (c) below and note 5)</b>	<b>39,470</b>	<b>1,743</b>	<b>41,213</b>

## HALF-YEAR CONSOLIDATED FINANCIAL REPORT

**Notes to the financial statements**  
**For the half-year ended 31 December 2008**  
 cont'd...

**(b) Purchase consideration**

Outflow of cash to acquire subsidiary, net of cash acquired:

Cash consideration	29,410	1,170	30,580
Less cash acquired	(254)	(61)	(315)
Outflow of cash	29,156	1,109	30,265

At the date of this financial report some costs associated with the acquisition have been estimated until the final costs are received. The goodwill will be amended where the actual costs vary to the estimates.

**(c) Assets and liabilities acquired**

The assets and liabilities arising from the acquisition are as follows:

	Rapley Wilkinson Pty Ltd	Rapley Wilkinson Pty Ltd	Rapley Wilkinson Property Pty Ltd	Rapley Wilkinson Property Pty Ltd	Total	Total
	Acquirees carrying amount \$'000	Fair value \$'000	Acquirees carrying amount \$'000	Fair value \$'000	Acquiree's carrying amount \$'000	Fair value \$'000
Cash	254	254	61	61	315	315
Customer contracts	-	1,275	-	-	-	1,275
Property, plant and equipment	1,625	1,625	54	54	1,679	1,679
Other current assets	136	136	336	336	472	472
Deferred tax assets	128	128	7	7	135	135
Inventory	1,428	1,428	-	-	1,428	1,428
Other current liabilities	(794)	(794)	(308)	(308)	(1,102)	(1,102)
Deferred tax liabilities	-	(383)	-	-	-	(383)
Employee entitlements	(429)	(429)	(23)	(23)	(452)	(452)
<b>Net identifiable assets acquired</b>	<b>2,348</b>	<b>3,240</b>	<b>127</b>	<b>127</b>	<b>2,475</b>	<b>3,367</b>

The goodwill is attributable to the high profitability of the acquired businesses. The carrying value of assets and liabilities acquired approximate their fair value. No acquisition provisions were created.

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT

## Notes to the financial statements For the half-year ended 31 December 2008 cont'd...

### Note 9. Contingent liabilities

The Group had no contingent liabilities at 31 December 2008 (30 June 2008: nil).

#### *Contingent instruments*

The Group had outstanding guarantees to the value of \$27,891,000 (30 June 2008: \$25,452,000) all of which are expected to be recovered without claim. To date, no bank guarantees have been claimed. Bank guarantees are provided in certain contracts as a percentage of the contract sum generally, two bank guarantees, each for 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.

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

### Note 10. Reconciliation to cash at the end of the half-year

The cash at the end of the half year is reconciled to the statement of cash flows as follows:

	2008 \$'000	2007 \$'000
Cash and cash equivalents – current asset	21,006	911
Bank overdraft – borrowings – current liability	-	(1,843)
Balance per statement of cash flows	<u>21,006</u>	<u>(932)</u>

### Note 11. Events subsequent to balance date

On 20 February 2009, the Directors approved the grant of 1,990,000 options under the Long-term Incentive Plan 2008 at an exercise price of 81 cents. The grant of options included the issue of 700,000 options to each of the executive directors, Mr Alan Thomas and Mr Wayne McGrath, as approved by shareholders at the annual general meeting held on 29 October 2008.

On 24 February 2009, the Directors declared the payment of an interim ordinary dividend of 2.0 cents (fully franked) per fully paid share to be paid on 24 April 2009 out of retained profits at 31 December 2008.

### Note 12. 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.

# HALF-YEAR CONSOLIDATED FINANCIAL REPORT

## DECLARATION BY DIRECTORS

31 DECEMBER 2008

In the directors' opinion:

1. The financial statements, comprising the income statement, balance sheet, cash flow statement, statement of recognised income and expenditure and accompanying notes, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, 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 2008 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:



**Alan John Thomas**  
**Acting Managing Director**

Perth  
24 February 2009



BDO Kendafile

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NOMAD BUILDING SOLUTIONS LIMITED

We have reviewed the accompanying half-year financial report of Nomad Building Solutions Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of recognized income and expense and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### 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 Interim and Other Financial Reports 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2008 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.

BDO Kendafile is a national association of  
separate partnerships and entities



#### **Independence**


In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

#### **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 2008 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 Kendall's Audit & Assurance (WA) Pty Ltd**

BDO Kendall's  


**Glyn O'Brien**  
Director

Signed in Perth, Western Australia  
Dated this 24<sup>th</sup> day of February 2009.

**Supplementary Appendix 4D Information  
For the half-year ended 31 December 2008**

**NET TANGIBLE ASSET PER SHARE**

	31 December 2008	30 June 2008	31 December 2007
	Cents	Cents	Cents
Net tangible asset backing per ordinary share	22.6	21.8	17.4

**DIVIDENDS**

A dividend of 2 cents per share (fully franked) was declared on 24 February 2009.

Date the dividend is payable	24 April 2009
Record date to determine entitlements to the dividend	3 April 2009
Receipt of dividend reinvestment plan notices	3 April 2009

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	N/A	N/A	N/A
	Previous Year	24 October 2008	5.5 cents	5.5 cents	Nil
Interim dividend	Current year	24 April 2009	2.0 cents	2.0 cents	Nil
	Previous year	24 April 2008	4.0 cents	4.0 cents	Nil