

HALF-YEAR FINANCIAL RESULTS

In accordance with Listing Rule 4.2A.3, the Interim Financial Report for the six months ended 31 December 2018 and the ASX Appendix 4D – Half Year Report of **BauMart Holdings Limited (ASX:BMH)** follow this announcement. The information is to be read in conjunction with the annual report for the year ended 30 June 2018.

AUTHORISED BY:

Matthew Logan
Executive Director

About BauMart Holdings Limited

BauMart Holdings Limited is listed on the Australian Securities Exchange (ASX: BMH). It is a supplier of building products to the residential and commercial construction industries. The Company has invested in automated glass-processing equipment that is capable of producing a range of custom-made glass products for supply to the building construction industry. In addition to this, BauMart is a leading supplier of plastic materials handling products, such as pallets and crates, to the pharmaceutical, agricultural, industrial, mining, energy and export markets in Australia. BauMart is headquartered in Perth and has operations in Sydney, Melbourne and Brisbane.

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Appendix 4D
Half Year Report to the Australian Securities Exchange
BauMart Holdings Limited and Controlled Entities – ABN 87 602 638 531
Period ending 31 December 2018

The following information is provided to the ASX under listing rule 4.2A.3

1. Details of the reporting period and the previous corresponding period.

Reporting Period	6 Months ending 31 December 2018
Previous Corresponding Reporting Period	6 Months ending 31 December 2017

2. Results for announcement to the market

2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

\$ Revenue from Ordinary Activities - current period	\$'000	2,199
\$ Revenue from Ordinary Activities - previous period	\$'000	1,113
\$ change in Revenue from Ordinary Activities	\$'000	1,086
% change from previous corresponding reporting period	% UP	98%

2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.

\$ Profit (loss) from ordinary activities after tax - current period	\$'000	(743)
\$ Profit (loss) from ordinary activities after tax - previous period	\$'000	(905)
\$ change in profit (loss) from ordinary activities after tax	\$'000	162
% change from previous corresponding reporting period	% DOWN	18%

2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

\$ Net profit (loss) attributable to members - current period	\$'000	(743)
\$ Net profit (loss) attributable to members - previous period	\$'000	(905)
\$ change in net profit (loss) attributable to members	\$'000	162
% change from previous corresponding reporting period	% DOWN	18%

2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

It is not proposed to pay a dividend.

2.5 The record date for determining entitlements to the dividends (if any).

Not applicable

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Please refer to the Interim Financial Report lodged with this Appendix 4D.

3. Net tangible assets per security with the comparative figure for the previous corresponding period.

Net tangible assets per security	Cents	0.75
Previous corresponding period	Cents	1.91

Appendix 4D
Half Year Report to the Australian Securities Exchange
BauMart Holdings Limited and Controlled Entities – ABN 87 602 638 531
Period ending 31 December 2018

4. Details of entities over which control has been gained or lost during the period, including the following.

4.1 Name of the entity.

None

4.2 The date of the gain or loss of control.

Not applicable

4.3 Where material to an understanding of the report - the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Not applicable

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.

Not applicable

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Not applicable

7. Details of associates and joint venture entities including the following.

None

7.1 Name of the associate or joint venture entity.

Not applicable

7.2 Details of the reporting entity's percentage holding in each of these entities.

Not applicable

7.3 Where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Not applicable

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards).

Not applicable

9. For all entities, if the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

The independent auditor's review report contains an emphasis of matter in relation to going concern and carrying value of assets. The emphasis of matter paragraph states that the ability of the Group to continue as a going concern is subject to the Group returning to profitability and achieving the budgeted revenues. Furthermore, on the basis of the factors indicated in the going concern note to the financial statements, there is material uncertainty that may cast significant doubt on the realisable value of the Group's assets and its ability to meet its liabilities as they fall due in the normal course of business.



ABN 87 602 638 531

**FINANCIAL REPORT FOR THE HALF YEAR ENDED
31 DECEMBER 2018**

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DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of BauMart Holdings Limited (the **Company** or **Parent Entity**) and its controlled entities (together referred to hereafter as the **Consolidated Entity**) for the half year ended 31 December 2018 and the auditor's review report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the half year are:

Name	Period of directorship
Mr Berthus Budiman <i>Executive Director</i>	Director since 31 October 2014
Mr Matthew Logan <i>Executive Director</i>	Director since 8 August 2016
Mr Michael Crichton <i>Non-Executive Director</i>	Director since 19 March 2015
Mr Anson Gan <i>Non-Executive Director</i>	Director since 19 March 2015

RESULTS

The loss of the Consolidated Entity for the half-year was \$743,294 (2017: \$904,788) after income tax of nil (2017: nil).

REVIEW OF OPERATIONS

Group results

- Net loss after tax of \$743,294 (31 December 2017: \$904,788).
- Net loss after tax of \$204,197, before one-off provision for doubtful debt expenses of \$539,097 (31 December 2017: \$432,221).

Sales revenue

- Up 98% to \$2,198,759 (31 December 2017: \$1,113,198)
- Materials handling division up 85% to \$1,664,387 (31 December 2017: \$900,748)
- Building material sales up 152% to \$534,372 (31 December 2017: \$212,450)

Business highlights

- Solid growth in top line sales revenue for the first half of FY19
- Underlying loss position rapidly approaching operational breakeven
- Distribution centre for natural stones established in Brisbane region with strategies in place to expand sales in Q3 and Q4 FY19
- The Group's Australia wide distribution platform is well positioned to cater for future growth in a cost efficient manner
- R&D claim of \$175,247 under the Federal Government's Research and Development (R&D) Tax Incentive program finalised and receipted during the first half of FY19

The materials handling division has grown its sales by 85% during the half year. Some of the highlights for the current reporting period include:

- Record half year revenue for the division of \$1.67 million
- Half year profit/ (loss) for the division of \$204K (31 December 2017: (\$24K)).
- The division is bolstered by stable recurring orders from long-term customers
- A tightened sales strategy has been put in place focused on combining cyclical capital orders with recurring revenue opportunities for export projects
- The division is currently evaluating ways to more efficiently leverage its solid distribution network

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

The building materials supply division has grown its sales by 152% during the half year. Some of the highlights for the current reporting period include:

- Record half year revenue for the division of \$534K
- Sale and distribution of glass products totalling \$294K (31 December 2017: Nil) in New South Wales contributed to the majority of the increase as demand for high performance glass products was strong
- Sales of natural stones and wood plastic composite decking of \$240K (31 December 2017: \$212K) have improved with the expansion into Queensland in December quarter still in early stages and showing promising potential
- The project tendering division completed its final job as management refocused its efforts into other key areas of the Group

The Group continues to work closely with the operator of its glass processing equipment to ensure that the equipment is maintained in an operationally-ready status to optimise production capabilities. Management remains supportive of the operator's ability to leverage the expanding eastern states market.

Management is continuing to evaluate synergistic and complementary acquisitions that are a strategic fit with the core focus areas of the business being building materials and materials handling.

EVENTS SUBSEQUENT TO REPORTING DATE

Other than the matters described in Note 12 to the financial statements, there has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

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 20.

This Directors' Report is made out in accordance with a resolution of the Directors:



Matthew Logan
Executive Director

Dated at Perth this 22nd day of February 2019.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Note	31 December 2018 \$	31 December 2017 \$
Revenue and other income			
Sale of goods		2,198,759	1,113,198
Total Revenue		2,198,759	1,113,198
Cost of sales		(1,838,485)	(898,183)
Total cost of sales		(1,838,485)	(898,183)
Gross profit		360,274	215,015
Other revenue	4	465,294	338,581
Net finance income/(expense)		2,588	59,188
Expenses			
Corporate and administrative expenses		(310,126)	(275,283)
Operational expenses		(105,579)	(146,118)
Occupancy expenses		(510,213)	(395,858)
Marketing expenses		(94,604)	(105,342)
Depreciation and amortisation expenses	6 & 7	(122,735)	(122,404)
Reversal of Impairment of Plant & Equipment		110,904	(472,567)
Provision for doubtful debt		(539,097)	-
Total expenses		(1,571,450)	(1,517,572)
Loss before income tax		(743,294)	(904,788)
Income tax benefit/(expense)		-	-
Net loss for the half year		(743,294)	(904,788)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive loss		(743,294)	(904,788)
Loss attributable to:			
Owners of the Company		(743,294)	(904,788)
Non-controlling interests		-	-
		(743,294)	(904,788)
Total comprehensive loss attributable to:			
Owners of the Company		(743,294)	(904,788)
Non-controlling interests		-	-
		(743,294)	(904,788)
Basic and diluted loss per share attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (cents)		(0.51)	(0.63)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 \$	30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		156,437	280,819
Trade and other receivables	5	758,644	1,065,404
Other current assets		49,270	54,880
Inventories		700,914	984,531
Total current assets		1,665,265	2,385,634
NON-CURRENT ASSETS			
Property, plant and equipment	6	306,803	316,953
Intangibles	7	3,320	3,628
Other assets		158,710	158,710
Total non-current assets		468,833	479,291
TOTAL ASSETS		2,134,098	2,864,925
CURRENT LIABILITIES			
Trade and other payables		855,458	844,090
Employee benefits		16,712	8,364
Current tax liabilities		2,943	2,943
Total current liabilities		875,113	855,397
NON-CURRENT LIABILITIES			
Employee benefits		7,500	14,749
Total non-current liabilities		7,500	14,749
TOTAL LIABILITIES		882,613	870,146
NET ASSETS		1,251,485	1,994,779
EQUITY			
Issued capital	8	8,251,219	8,251,219
Accumulated losses		(6,999,734)	(6,256,440)
Equity attributable to owners of the Company		1,251,485	1,994,779
Non-controlling interests		-	-
TOTAL EQUITY		1,251,485	1,994,779

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Issued Capital \$	Accumulated losses \$	Total \$	Non-controlling interest \$	Total equity \$
Balance at 30 June 2018	8,251,219	(6,256,440)	1,994,779	-	1,994,779
Loss for the half year	-	(743,294)	(743,294)	-	(743,294)
Total comprehensive loss for the half year	-	(743,294)	(743,294)	-	(743,294)
Transaction with equity holders, in their capacity as equity holders					
Issue of ordinary shares, net of transaction costs	-	-	-	-	-
Balance at 31 December 2018	8,251,219	(6,999,734)	1,251,485	-	1,251,485
Balance at 30 June 2017	8,251,219	(4,579,454)	3,671,765	-	3,671,765
Loss for the Period	-	(904,788)	(904,788)	-	(904,788)
Total comprehensive loss for the Period	-	(904,788)	(904,788)	-	(904,788)
Transaction with equity holders, in their capacity as equity holders					
Issue of ordinary shares, net of transaction costs	-	-	-	-	-
Balance at 31 December 2017	8,251,219	(5,484,242)	2,766,977	-	2,766,977

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities			
Receipts in the course of operations		2,176,815	1,516,090
Government grants and tax incentives received		175,247	-
Payments in the course of operations		(2,477,661)	(3,081,435)
Interest received		2,589	6,688
Net cash (outflow) from operating activities		(123,010)	(1,558,657)
Cash flows from investing activities			
Short term secured loan		-	(700,000)
Repayment of short term secured loan		-	1,600,000
Purchase of property, plant and equipment	6	(1,372)	(15,906)
Net cash inflow /(outflow) from investing activities		(1,372)	884,094
Net (decrease) in cash and cash equivalents		(124,382)	(674,563)
Cash and cash equivalents as at beginning of the period		280,819	904,902
Cash and cash equivalents as at end of the period		156,437	230,339

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. REPORTING ENTITY

Baumart Holdings Limited (**Baumart** or **Parent Entity**) is a public company limited by shares incorporated in Australia whose shares are traded on the Australian Securities Exchange.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "**Consolidated Entity**" or "**Group**"). They were authorised for issue by the Board of Directors on 22 February 2019.

2. BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Consolidated Entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Baumart Holdings Limited and its controlled entities (referred to as the "Consolidated Entity" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 22 February 2019.

a) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new and amended Accounting Standards that became applicable on or after 1 January 2018 but determined that their application to the financial statements is either not relevant or not material.

b) Amendments to AASBs and new interpretation that are mandatorily effective for the current period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

The adoption of these amendments has held no impact on the disclosures.

c) Impact of standards issued but not yet applied by the entity

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The adoption of AASB16 in the financial year ended 30 June 2020 is expected to have a material impact on the financial statements but the Company has not yet quantified the impact. The estimated impact is expected to be disclosed in the 30 June 2019 annual report. The Board expects the impact to be significant.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial report, the significant judgments made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2018. Critical accounting judgements, estimates and assumptions adopted by management are discussed below.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are outlined below:

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. The condition of the assets are assessed at least once per year and considered against the remaining useful life.

Carrying value of assets

The glass processing equipment generates rental income from its operator's usage of the equipment, which has a direct effect on the carrying value of the asset.

Going Concern

The interim financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a net loss of \$743,294 during the half year (2017: \$904,788). Included in trade and other receivables at 31 December 2018 is an amount of \$1,297,741 owed of which \$539,097 are provision for doubtful debts. The ability of the consolidated entity to pay its debts as and when they fall due and to continue as a going concern is dependent upon the Consolidated Entity's ability to generate positive cash flows through its existing business and/or raise further equity.

The Directors believe there are reasonable grounds to believe the Consolidated Entity will be able to continue as a going concern after consideration of the following factors:

- The Consolidated Entity has net working capital of \$790,152 including cash reserves of \$315,147 of which \$158,710 is restricted at 31 December 2018;
- The Directors are confident that the trade receivables amounts of \$1,297,741 referred to in Note 5 are fully recoverable following discussions with the debtors; and
- The budgets and forecasts reviewed by the Directors for the next 12 months anticipate the business will continue to produce improved results.

In the event that the above events do not occur, then the going concern basis may not be appropriate which may cast significant doubt on the Consolidated Entity's ability to continue as a going concern resulting in the Consolidated Entity being unable to realise its assets and extinguish its liabilities at amounts stated in the financial statements.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

4. OTHER REVENUE	31 December 2018 \$	31 December 2017 \$
Rental income	288,563	336,319
R&D refund	175,247	-
Miscellaneous	1,484	2,262
	465,294	338,581

5. TRADE AND OTHER RECEIVABLES	31 December 2018 \$	30 June 2018 \$
Current		
Trade receivables	1,297,741	1,065,404
Provision for doubtful debts	(539,097)	-
	758,644	1,065,404

6. PROPERTY, PLANT & EQUIPMENT

	Plant & equipment \$	Furniture & fittings \$	Office equipment \$	Pooled Assets \$	Total \$
At 31 December 2018					
Cost	2,580,636	21,617	21,166	2,285	2,625,704
Accumulated depreciation	(929,271)	(6,250)	(14,842)	(318)	(950,681)
Impairment charge	(1,368,220)	-	-	-	(1,368,220)
Net book amount	283,145	15,367	6,324	1,967	306,803
At 30 June 2018					
Cost	2,580,636	21,617	19,794	2,285	2,624,332
Accumulated depreciation	(811,366)	(4,540)	(12,261)	(88)	(828,255)
Impairment charge	(1,479,124)	-	-	-	(1,479,124)
Net book amount	290,146	17,077	7,533	2,197	316,953

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

6. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Plant & equipment \$	Furniture & fittings \$	Office equipment \$	Pooled Assets \$	Total \$
Half Year ended 31 December 2018					
Opening net book amount	290,146	17,077	7,533	2,197	316,953
Additions	-	-	1,373	-	1,373
Depreciation charges	(117,907)	(1,710)	(2,580)	(230)	(122,427)
Reversal of Impairment charge	110,904	-	-	-	110,904
Disposals	-	-	-	-	-
Closing net book amount	283,143	15,367	6,326	1,967	306,803
Year ended 30 June 2018					
Opening net book amount	1,175,249	4,356	9,222	-	1,188,827
Additions	-	16,459	3,409	2,285	22,153
Depreciation charges	(232,825)	(3,738)	(5,098)	(88)	(241,749)
Impairment charge	(652,278)	-	-	-	(652,278)
Disposals	-	-	-	-	-
Closing net book amount	290,146	17,077	7,533	2,197	316,953

7. INTANGIBLES

	31 December 2018 \$	30 June 2018 \$
Trademarks		
Carrying amount at the beginning of the year	3,628	4,240
Amortisation	(308)	(612)
Net carrying value	3,320	3,628
Gross	6,120	6,120
Accumulated amortisation	(2,800)	(2,492)
Net carrying value	3,320	3,628

8. ISSUED CAPITAL

144,744,757 (30 June 2018: 144,744,757) fully paid ordinary shares

8,251,219

8,251,219

(a) Ordinary shares

The following movements in ordinary share capital occurred during the half year:

	31 December 2018 No.	30 June 2018 No.	31 December 2018 \$	30 June 2018 \$
Balance at beginning of the period	144,744,757	144,744,757	8,251,219	8,251,219
Balance at the end of the period	144,744,757	144,744,757	8,251,219	8,251,219

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

8. ISSUED CAPITAL (CONTINUED)

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

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

(b) Options

No options were issued or exercised during the half year.

No options lapsed during the half year.

There were no options to subscribe for ordinary fully paid shares at the end of the half year.

(c) Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels.

There were no changes in the Consolidated Entity's approach to capital management during the half year. The Consolidated Entity is not subject to any externally imposed capital requirements.

9. COMMITMENTS AND CONTINGENCIES

Future minimum rentals payable under the non-cancellable operating lease as at the reporting date are as follows:

	31 December 2018	30 June 2018
	\$	\$
Within one year	758,730	758,730
After one year but not more than five years	2,465,873	2,845,238
More than five years	-	-
	3,224,603	3,603,968

Contingencies

The Consolidated Entity does not have any contingent liabilities at balance and reporting dates.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

10. SUBSIDIARY

Name of entity	Country of incorporation	Equity holding 31 December 2018	Equity holding 30 June 2018	Principal activities
Buildmart Services Pty Ltd	Australia	100%	100%	Supply and installation of building materials
BauMax Pty Ltd	Australia	100%	100%	IT related services
Eco Pallets Pty Ltd	Australia	100%	100%	Materials handling product supply

11. SEGMENTS INFORMATION

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Consolidated Entity is managed primarily based on product category and service offerings since the diversification of the Consolidated Entity's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the products sold and/or services provided by that segment.

Types of products and services by segment

Building Materials Supply

The Building Materials Supply is focused on the supply and installation of building products and materials procured from local and offshore suppliers to both the residential and commercial property construction markets.

Materials Handling Supply

The Materials Handling Supply division is focused on the Australia wide supply of plastic materials handling unit load devices, such as plastic pallets and plastic crates.

Equipment Investments

The Equipment Investments division is focused on acquiring specialised equipment. The business model contemplates the acquisition of specialised equipment with the intention of leasing the equipment to specialised operators, providing the Consolidated Entity with lease income.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Entity.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

11. SEGMENTS INFORMATION (CONTINUED)

Accounting policies adopted

All inter-segment loans payable and receivable are eliminated on consolidation for the Consolidated Entity's financial statements.

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances segment assets are clearly identifiable on the basis of their nature and physical location.

Segment Liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Consolidated Entity and are not allocated. Segment liabilities include trade and other payables and certain borrowings.

Unallocated items

Items of revenue, expenses, assets and liabilities which are not considered part of the core operations of any segment are allocated to Corporate and Administrative:

	Building Materials Supply		Materials Handling Supply		Equipment Investments		Corporate & Administrative		Consolidated Entity (Total)	
	31 December 2018 \$	31 December 2017 \$	31 December 2018 \$	31 December 2017 \$	31 December 2018 \$	31 December 2017 \$	31 December 2018 \$	31 December 2017 \$	31 December 2018 \$	31 December 2017 \$
Segment revenue	534,372	212,450	1,664,387	900,748	-	-	467,882	397,769	2,666,641	1,510,967
Segment result	(474,679)	(11,059)	204,004	(24,422)	(14,599)	(603,124)	(458,020)	(266,183)	(743,294)	(904,788)
	31 December 2018 \$	30 June 2018 \$	31 December 2018 \$	30 June 2018 \$	31 December 2018 \$	30 June 2018 \$	31 December 2018 \$	30 June 2018 \$	31 December 2018 \$	30 June 2018 \$
Segment assets	793,391	733,472	1,074,755	1,092,695	74,337	79,827	191,615	958,931	2,134,098	2,864,925
Segment liabilities	251,552	288,434	628,120	578,771	-	-	2,941	2,941	882,613	870,146

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

12. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the current reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of Baumart Holdings Limited:

1. the consolidated financial statements and notes, set out on pages 5 to 16, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and 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.

Dated at Perth, Western Australia this 22nd day of February 2019

Signed in accordance with a resolution of the Directors.



Matthew Logan
Executive Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BAUMART HOLDINGS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Baumart Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Baumart Holdings Limited (the consolidated entity). The consolidated entity comprises both Baumart Holdings Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Baumart Holdings Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 2018 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 Baumart Holdings 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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*, has been provided to the directors of Baumart Holdings Limited on 22 February 2019.

Conclusion

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

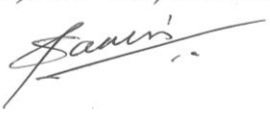
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter Regarding Going Concern and Carrying Values of Assets

Without qualification to the review conclusion expressed above, attention is drawn to the following matters:

As referred to in Note 3 to the financial statements, the financial statements have been prepared on the going concern basis. At 31 December 2018, the entity had working capital of \$790,152 but had incurred a loss for the half year amounting to \$743,294. The ability of the consolidated entity to continue as a going concern is subject to the consolidated entity returning to profitability and achieving the budgeted revenues. In the event that the Board is not successful in achieving budgeted revenues, the consolidated entity may not be able to meet its liabilities as they fall due and the realisable value of the consolidated entity's assets may be significantly less than book values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director

West Perth, Western Australia
22 February 2019

22 February 2019

Board of Directors
Baumart Holdings Limited
15 McCabe St
North Fremantle WA 6159

Dear Directors

RE: BAUMART HOLDINGS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Baumart Holdings Limited.

As Audit Director for the review of the financial statements of Baumart Holdings Limited for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir R Tirodkar
Director