BOOM LOGISTICS LIMITED

ABN 28 095 466 961

Annual Financial Report
for the year ended 30 June 2005

Boom Logistics Limited
A.B.N. 28 095 466 961

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DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2005.

Directors

Rodney John Robinson	(Non executive Chairman)	
Roderick Glynn Harmon	(Chief Executive Officer)	
Terrance Alexander Hebiton	(Non executive Director)	
Douglas Edwin Williams	(Non executive Director)	
Fiona Rosalyn Bennett	(Non executive Director)	(resigned 24 June 2005)
Dr. Huw Geraint Davies	(Non executive Director)	
Terrence Charles Francis	(Non executive Director)	(appointed 13 January 2005)
Jane Margaret Harvey	(Non executive Director)	(appointed 12 July 2005)

Refer to Corporate Governance section of the Annual Report for details of directors' qualifications, experience and special responsibilities.

Company Secretary

Mark Alan Lawrence B.Bus(Acc), C.A.

Mr. Lawrence has been the Company Secretary and Chief Financial Officer of Boom Logistics Limited for over 2 years. Prior to this time, he spent 6 years with Bovis Lend Lease where he held a number of finance roles including Global Finance Manager and Financial Controller of a number of business units. Mr. Lawrence has been a Chartered Accountant for over 14 years.

Directors' Interests in the Shares and Options of the Company

As at the date of this report, the interests of the directors in the shares of Boom Logistics Limited were:

Name	Ordinary Shares *****
J. Robinson	102,000
R.G. Harmon	1,658,571
T.A. Hebiton	87,276
D.E. Williams	128,155
H.G. Davies	86,000
T. Francis	22,000
J. Harvey	-

** These ordinary shares are held directly by the directors and do not include ordinary shares held indirectly or by their personally-related entities.*

Directors Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Name of director	***Board of directors***		***Audit & compliance committee***		***Nomination and remuneration committee***		***Occupational, health, safety, environment & quality committee***	
	Held	***Attended***	***Held***	***Attended***	***Held***	***Attended***	***Held***	***Attended***
J. Robinson	12	12	-	-	1	1	2	2
R.G. Harmon	12	11	-	-	-	-	-	-
T.A. Hebiton **	12	11	5	2	-	-	2	2
D.E. Williams	12	10	-	-	-	-	2	1
F. Bennett ***	12	12	5	5	1	1	-	-
H.G. Davies	12	12	5	5	1	1	-	-
T. Francis ****	12	6	5	3	-	-	-	-

*** Attended all audit and compliance committee prior to resignation from that committee.*
**** Attendance prior to resignation.*
***** Attended all meetings from the date of appointment.*

Corporate Structure

Boom Logistics Limited is a company limited by shares that is incorporated and domiciled in Australia. Boom Logistics Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are listed in Note 11 of the Financial Statements.

Indemnification of Directors and Officers

The company has entered into Deeds of Access, Indemnity and Insurance with each of the directors and the company secretary, under which the company indemnifies, to the extent not precluded by law from doing so, those persons against any liability they incur in or arising out of discharging their duties.

During the financial year, the company has paid an insurance premium for the benefit of the directors and officers of the company in accordance with common commercial practice. The insurance policy prohibits disclosure of the liability insured and the amount of the premium.

Nature of Operations and Principal Activities

During the year, the principal activity of the consolidated entity was the provision of crane lifting solutions.

Operating and Financial Review

The consolidated entity achieved both revenue and profit growth this financial year. Total revenue increased by 59% and profit after tax increased by 64% over the previous financial year. Revenue from ordinary activities was $133,150,000 and profit after tax was $15,439,000.

All business units recorded strong performances during the financial year as a result of strong client demand. The full year impact of acquisitions made in the previous financial year also contributed to the strong performance for the year. In addition, 5 businesses were acquired during the financial year which have been or are in the process of being integrated into the company.

Significant Changes in the State of Affairs

Shareholder equity increased to $88,746,000 from $51,740,000, an increase of $37,006,000. The significant movement was largely due to increased profits from organic growth and an equity issue to fund the following acquisitions made during the financial year:

=> 3 businesses in NSW;
=> 1 business in Central QLD; and
=> 1 business in Port Hedland, WA.

Refer to Note 22(f) in the financial report for further acquisition details.

Events Subsequent to Reporting Date

Subsequent to 30 June 2005, the consolidated entity signed several commercial hire purchase agreements to acquire plant and equipment to the value of $4,347,562.

On 4 July 2005, the consolidated entity exercised its option to enter into a contractual arrangement to acquire Sherrin Hire Pty Ltd for $60 million. Sherrin Hire Pty Ltd is a provider of crane and access equipment hire with a complimentary focus to Boom Logistics Limited. Settlement of this transaction occurred on the 8 August 2005.

On 5 July 2005, the consolidated entity issued 16,750,000 ordinary shares at $2.20 per share as part of the first tranche of the $67 million share placement to fund the acquisition of Sherrin Hire Pty Ltd and working capital requirements.

Events Subsequent to Reporting Date (continued)

On 4 August 2005, the consolidated entity held an extraordinary general meeting (EGM) of shareholders which approved the issue of 13,704,545 ordinary shares at $2.20 per share as part of the final tranche of the $67 million share placement to fund the acquisition of Sherrin Hire Pty Ltd. The EGM also approved the allotment of 1,359,949 ordinary shares at $2.206 per share rounded to Michael Sherrin / Sherrin Investments Pty Ltd as trustee for the Sherrin Family Trust, as a component of the purchase price for the acquisition of Sherrin Hire Pty Ltd under the Share Sale Agreement. The shares were subsequently issued on the 8 August 2005 on settlement of the acquisition.

On 11 August 2005, the directors of Boom Logistics Limited declared a fully franked final dividend of 3.9 cents per share totalling $5,657,340 in respect of the 2005 financial year. The dividend has not been provided for in the 30 June 2005 financial statements.

Likely Future Developments and Expected Results

The directors foresee that the company will continue to benefit from further organic growth and acquisition initiatives during the 2005/06 financial year.

Further disclosures of information as to likely developments in the operations of the consolidated entity and expected results of those operations would be prejudicial to the interests of the consolidated entity. Accordingly, such information has not been included in this Report.

Environmental Regulation

The Board confirms that the company has adequate systems in place to manage and comply with environmental regulations as they apply to the company.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Boom Logistics Limited follow the ASX Corporate Governance Council's March 2003 "Principles of Good Corporate Governance and Best Practice Recommendations".

Remuneration Report

This report outlines the remuneration arrangements in place for directors and executives of Boom Logistics Limited (the company).

Nomination and remuneration committee

This Committee has responsibility for advising the Board on remuneration policy and related matters, including:

=> Evaluating performance of the CEO against annual targets set by the Board;
=> Reviewing remuneration packages for the CEO and senior management;
=> Succession planning among the senior management group;
=> Seeking out and recommending new appointees to the Board; and
=> Reviewing director’s fees and Board performance.

The Committee comprises only Independent non-executive directors and is chaired by the Chairman of the Board. The Committee draws upon advice and market survey data from external consultants, including the Hay Group, Ernst & Young and the Remuneration Strategies Group, in discharging its responsibilities.

Executive remuneration policy

Executive remuneration is based upon the following principles:

=> External competitiveness, using appropriate independent market survey data comparing Boom remuneration levels against industry peers in terms of comparable job size and responsibilities;
=> Internal equity, ensuring that executive remuneration across the Company is based upon a clear view of the scope of individual positions and the respective responsibilities, with motivation for continual improvement;

Remuneration Report (continued)

Executive remuneration policy (continued)

=> A meaningful component of executive remuneration is "at risk" with entitlement dependent upon achievement of Group and individual performance targets set by the Board and linked to increasing shareholder value; and

=> Reward for performance represents a balance of annual and longer term targets.

Executive remuneration components

There are two primary elements to the Company's remuneration structure:

Fixed annual reward (FAR)

This element comprises base salary, any fringe benefits (eg motor vehicle allowance) and employer contributed superannuation. The individual FAR levels to be applied are established on an annual basis using external survey data provided by independent external consultants.

The survey data is drawn from the Industrial sector of ASX listed enterprises and is provided on a comparable basis, taking account of the various factors that determine individual job scope and responsibility. The Company targets the market median for each position, projected ahead to the mid year point of each year. The final determination of FAR for each executive, as a percentage of the market median, takes account of individual performance and experience in the position.

Executives have scope to vary the components that make up their FAR and can tailor their salary package to suit individual requirements.

Variable remuneration

This element of reward comprises a short term and long term component, with both determined by factors related to shareholder returns. The proportion of these "at risk" payments in the total remuneration structure is guided by market survey data provided by independent consultants. In this regard Boom Logistics targets typical reward structures as related to individual job scope and responsibility.

(a) Short term incentive plan

The short term reward is determined by the Company's Short Term Incentive Plan (STIP). The objectives of this plan are:

=> To focus senior executives on key annual business goals and reinforce the link between performance and reward;

=> Allow scope to recognise exceptional performance through a sliding scale of reward;

=> Encourage teamwork as well as individual performance in meeting annual goals; and

=> Align reward with company values.

The STIP is applied following the annual audit of the Company's results and a review of individual performance against Board agreed targets set at the beginning of each financial year. Any payments made under the Plan occur in the September and the incentive cost is deducted from the financial results before determining the performance reward. No payment is made should results fall short of individual targets.

Individual performance measures are reset each year and are determined by the business drivers appropriate to each position. The CEO's incentive payment, for example, is split 80:20 between Earnings per Share(EPS) and company safety performance, whereas General Managers are measured against their division's EBITDA, company EPS and divisional safety performance, on a respective 40:40:20 ratio.

Remuneration Report (continued)

Executive remuneration components (continued)

(b) *Long term incentive plan*

The LTIP was established to provide reward for consistent performance over a rolling three year period with Total Shareholder Return (TSR) as the target. TSR is determined on the basis of combined dividend and share price growth. As with the STIP the level of reward available under the LTIP is determined on the basis of market survey data provided by independent consultants. Boom Logistics has adopted the policy of aligning the level of LTIP reward to average market practice and the quantum is determined by individual job scope and responsibility among the senior executive group.

The annual value of the reward is converted into Boom Logistics shares at a price determined as the volume weighted average over the five business days preceding the grant date. The grant date is set two weeks after the release to ASX of the Company's annual results to ensure time for the market to adjust to the released information. The benefit does not vest until three years from grant date and vesting requires an average minimum annual TSR of 9% per annum over the three year period, as well as continuation of full time employment with the Company over this time.

The operation of the LTIP is conducted through an Executive Share Trust administered by an independent third party and shareholder approval for continuation of the LTIP is sought at the commencement of each three year period in General Meeting.

Remuneration review

The review of senior executive and general staff remuneration is conducted annually through a formal process.

Senior executive remuneration is reviewed by the Remuneration & Nominations Committee of the Board with input from the CEO in respect of executives directly reporting to him. Market survey data provided by external consultants is combined with individual performance appraisals to determine recommendations to go to the Board for approval. This process occurs in May of each year and remuneration adjustments take effect from the beginning of each financial year. The Committee has direct responsibility for reviewing CEO performance against targets set by the Board and recommending to the Board appropriate adjustments to his remuneration package.

Staff reviews are similarly conducted by the relevant General Managers, with overview from the CEO.

Payments made under the STIP are determined once annual results have been audited and are usually paid in the September.

Executive director remuneration

Managing Director Rod Harmon is currently the only executive director on the Company's Board. He was appointed 29 April 2002 and joined the Board in the same month. Mr Harmon has an employment contract that has no fixed term. He is entitled to terminate his contract on eight week's notice and is entitled to nine weeks notice from the Company. He may be entitled to receive up to a maximum 26 weeks severance pay if his employment is terminated on the grounds of redundancy. This is determined on length of service and currently stands at 7 weeks pay. He is subject to a restrictive covenant during his employment and for 1 year after termination of such employment.

Mr Harmon's remuneration comprises a fixed annual reward; a short term incentive based on meeting annual performance targets set by the Board and a long term equity based incentive under the terms described under the LTIP section of this report.

The remuneration details of Mr Harmon and specified senior executives are detailed in tables 1 & 3 on page 6.

Remuneration Report (continued)

Board fees

Non-executive director fees are determined by reference to external survey data, taking account of the Company's relative size and business complexity. No additional payments are made for serving on Board Committees; no equity incentives are offered and no retirement benefits are payable to any non-executive. The maximum aggregate sum for non-executive director remuneration of $400,000 was approved by share holders at the 2004 Annual General Meeting.

Details of Board remuneration as at 30 June 2005 are included in table 1 below.

Table 1: Director remuneration for the year ended 30 June 2005

Name	Salary & Fees	Bonus	Non Monetary benefits	Super	Retirement benefits	Equity	Other	Total
	$	$	$	$	$	$	$	$
J. Robinson	80,000	-	-	7,200	-	-	-	**87,200**
R.G. Harmon	367,873	74,250	1,306	39,000	-	81,250	-	**563,679**
T.A. Hebiton	35,000	-	-	3,150	-	-	-	**38,150**
D.E. Williams	35,000	-	-	3,150	-	-	-	**38,150**
F. Bennett	35,000	-	-	3,150	-	-	-	**38,150**
H.G. Davies	35,000	-	-	3,150	-	-	-	**38,150**
T. Francis	17,500	-	-	1,575	-	-	-	**19,075**

Table 2: Remuneration of the 5 named executives who receive the highest remuneration for the year ended 30 June 2005

Name	Base Salary	Bonus	Non Monetary benefits	Super	Retirement benefits	Equity	Other	Total
	$	$	$	$	$	$	$	$
M. Lawrence *	204,520	-	2,109	23,868	-	138,479	-	**368,976**
D. Baker	170,486	45,638	799	19,608	-	91,710	-	**328,241**
B. Praetz	171,651	38,779	-	20,280	-	92,550	-	**323,260**
F. Legena	150,428	25,416	9,149	16,980	-	21,225	-	**223,198**
B. Salleh	154,449	12,600	-	18,360	-	22,950	-	**208,359**

** $31,500 bonus paid during the financial year was taken in shares under the Employee Share Plan.*

Table 3: Shares granted as part of remuneration for the year ended 30 June 2005 (in accordance with the LTI plan)

Name	Grant date	Grant number	Vesting date	Value per share at grant date *	TSR benchmark	% of total remuneration
R. Harmon	30 Aug 04	48,077	30 Aug 07	$1.69	> 9% avg over 3 yrs	14.4%
M. Lawrence	30 Aug 04	23,538	30 Aug 07	$1.69	> 9% avg over 3 yrs	10.8%
	30 Aug 04	40,000	vested	$1.68	no conditions	18.2%
D. Baker	30 Aug 04	14,503	30 Aug 07	$1.69	> 9% avg over 3 yrs	7.5%
	30 Aug 04	40,000	vested	$1.68	no conditions	20.5%
B. Praetz	30 Aug 04	15,000	30 Aug 07	$1.69	> 9% avg over 3 yrs	14.4%
	30 Aug 04	40,000	vested	$1.68	no conditions	20.8%
F. Legena	30 Aug 04	12,559	30 Aug 07	$1.69	> 9% avg over 3 yrs	9.5%
B. Salleh	30 Aug 04	13,580	30 Aug 07	$1.69	> 9% avg over 3 yrs	11.0%

** Value per share based on 5 day volume weighted average price prior to grant date.*

Remuneration Report (continued)

Employee superannuation

The company currently contributes the 9% superannuation guaranteed amount as required by existing superannuation legislation to all employees with the exception of the CEO and senior executive group who receive 15% and 12% respectively, in accordance with their employment contracts.

As of 1st July 2005, changes to the superannuation law means that Australian employees will be able to choose which fund their employer's future superannuation guarantee contributions are paid into. Boom Logistics is already offering choice of super fund and does not require employees to join a specific super fund, unless required by existing awards and certified agreements (EBAs).

Employee awards

The company currently operates under the following awards:

=> CFMEU National Building & Construction Industry Award 2000 (Cth);
=> Mobile Crane Hiring Award 2002 (Cth);
=> Metal Trades (General) No. 13 of 1965 (WA) Award;
=> Transport Workers Award 1998 (Cth);
=> Metal, Engineering and Associated Industries Award 1998 (Cth); and
=> Transport Workers Intrastate Award 2000.

The company also has several certified agreements which operate in conjunction with these Awards, and an Australian Workplace Agreement (AWA) for administration employees in Western Australian.

Auditor's independence declaration to the directors

Refer to page 8 of the Financial Report.

Non-audit services

The following non-audit services were provided by PKF Melbourne which is a member firm of PKF Australia Limited. The entity's auditor, PKF Perth is also a member firm of PKF Australia Limited. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not comprised.

PKF Melbourne received or are due to receive the following amounts for the provision of non-audit services:

=> Tax compliance services $41,359

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Director

John Robinson

Director

Roderick G. Harmon

Melbourne, 11 August 2005

A Member Firm of PKF International

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BOOM LOGISTICS LIMITED

As lead engagement partner for the audit of Boom Logistics Limited for the year ended 30 June 2005, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF
Chartered Accountants

IAN P OLSON
Partner

Dated 11th day of August 2005

Boom Logistics Limited
A.B.N. 28 095 466 961

Statement of Financial Performance
Year Ended 30 June 2005

		CONSOLIDATED		PARENT	
	Note	**2005**	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
Revenue from ordinary activities	2	**133,150**	83,757	**104,530**	64,734
Salaries and employee benefits expense	3(a)	**(52,979)**	(32,099)	**(40,764)**	(24,229)
Equipment service and supplies	3(a)	**(37,463)**	(25,951)	**(28,954)**	(20,213)
Depreciation and amortisation expense	3(a)	**(7,627)**	(4,410)	**(5,373)**	(2,903)
Borrowing costs expense	3(a)	**(3,262)**	(2,338)	**(2,473)**	(1,807)
Other expenses from ordinary activities		**(10,339)**	(5,721)	**(8,111)**	(4,239)
Profit from ordinary activities before income tax expense		**21,480**	13,238	**18,855**	11,343
Income tax expense relating to ordinary activities	4	**(6,041)**	(3,833)	**(6,041)**	(3,432)
Profit from ordinary activities after income tax expense		**15,439**	9,405	**12,814**	7,911
Net profit attributable to members of Boom Logistics Limited		**15,439**	9,405	**12,814**	7,911
Transaction costs arising from equity raisings recognised directly in equity	20(b)	**(683)**	(3,334)	**(683)**	(3,334)
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of Boom Logistics Limited		**14,756**	6,071	**12,131**	4,577
Basic earnings per share (cents per share)	27	**14.6**	11.9		
Diluted earnings per share (cents per share)	27	**14.6**	11.8		
Franked dividends per share (cents per share)	5	**6.9**	5.1		

The accompanying notes form an integral part of this Statement of Financial Performance.

Boom Logistics Limited
A.B.N. 28 095 466 961

Statement of Financial Position
At 30 June 2005

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
CURRENT ASSETS					
Cash assets	22(b)	**6,053**	2,572	**6,155**	2,009
Receivables	6	**28,081**	18,561	**22,317**	14,399
Inventories	7	**357**	124	**252**	36
Other current assets	8	**3,858**	1,636	**3,076**	1,371
TOTAL CURRENT ASSETS		**38,349**	22,893	**31,800**	17,815
NON CURRENT ASSETS					
Receivables	9	**-**	-	**4,314**	-
Other financial assets	10	-	-	**19,846**	19,846
Property, plant and equipment	12	**125,670**	78,064	**98,236**	52,295
Deferred tax assets	4	**2,098**	1,283	**2,098**	1,283
Intangible assets	13	**15,869**	7,070	**9,236**	64
TOTAL NON-CURRENT ASSETS		**143,637**	86,417	**133,730**	73,488
TOTAL ASSETS		**181,986**	109,310	**165,530**	91,303
CURRENT LIABILITIES					
Payables	14	**9,142**	7,640	**7,491**	5,080
Interest bearing liabilities	15	**13,182**	8,374	**9,920**	5,812
Provisions	16	**5,861**	3,815	**4,552**	2,419
Tax liabilities	4	**3,076**	2,780	**3,061**	2,828
Other current liabilities	17	**12,179**	6,106	**11,544**	2,704
TOTAL CURRENT LIABILITIES		**43,440**	28,715	**36,568**	18,843
NON CURRENT LIABILITIES					
Interest bearing liabilities	15	**45,162**	26,905	**38,325**	20,197
Provisions	18	**80**	63	**58**	37
Deferred tax liabilities	4	**2,558**	1,567	**2,558**	1,567
Other non current liabilities	19	**2,000**	320	**3,394**	413
TOTAL NON-CURRENT LIABILITIES		**49,800**	28,855	**44,335**	22,214
TOTAL LIABILITIES		**93,240**	57,570	**80,903**	41,057
NET ASSETS		**88,746**	51,740	**84,627**	50,246
EQUITY					
Contributed equity	20	**70,075**	41,576	**70,075**	41,576
Retained profits	21	**18,671**	10,164	**14,552**	8,670
TOTAL EQUITY		**88,746**	51,740	**84,627**	50,246

The accompanying notes form an integral part of this Statement of Financial Position.

Boom Logistics Limited
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Statement of Cash Flows
Year Ended 30 June 2005

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Cash flows from operating activities					
Receipts from customers		**123,296**	74,374	**96,165**	56,325
Payments to suppliers and employees		**(96,572)**	(59,993)	**(77,420)**	(45,133)
Borrowing costs		**(3,262)**	(2,338)	**(2,473)**	(1,807)
Interest received		**297**	77	**286**	61
Income tax paid		**(5,467)**	(882)	**(4,902)**	(202)
Net cash provided by operating activities	22(a)	**18,292**	11,238	**11,656**	9,244
Cash flows from investing activities					
Payments for plant and equipment		**(7,224)**	(2,900)	**(5,512)**	(2,707)
Payments for business acquisitions net of cash acquired	22(e)	**(30,686)**	(21,282)	**(27,851)**	(21,666)
Proceeds from the sale of plant and equipment		**678**	550	**552**	536
Net cash used in investing activities		**(37,232)**	(23,632)	**(32,811)**	(23,837)
Cash flows from financing activities					
Proceeds from issue of shares		**24,099**	18,889	**24,099**	18,889
Proceeds from borrowings		**14,000**	2,610	**14,000**	2,610
Repayment of borrowings		**(8,746)**	(6,308)	**(5,866)**	(4,672)
Payment of dividends	5(a)	**(6,932)**	(1,108)	**(6,932)**	(1,108)
Net cash provided by financing activities		**22,421**	14,083	**25,301**	15,719
Net increase/(decrease) in cash held		**3,481**	1,689	**4,146**	1,126
Cash at the beginning of the year		**2,572**	883	**2,009**	883
Cash at the end of the year		**6,053**	2,572	**6,155**	2,009

The accompanying notes form an integral part of this Statement of Cash Flows.

1. Summary of Significant Accounting Policies

(a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, including applicable Australian Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial report has been prepared in accordance with the historical cost convention except where stated.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Boom Logistics Limited (the parent company) and all entities that Boom Logistics Limited controlled from time to time during the year and at reporting date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control. Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

(d) Cash and cash equivalents

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is recognised as an expense as it accrues.

(e) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(f) Recoverable amount

Non current assets measured using the cost basis are not carried at an amount above their recoverable amount and where a carrying value exceeds this recoverable amount, the asset is written down. In determining recoverable amount, the expected net cash flows have not been discounted to their present values.

1. Summary of Significant Accounting Policies

(g) Plant and equipment

All items of plant and equipment are stated at cost.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets.

Depreciation is provided on a straight line basis on all plant and equipment. The useful life of each class of depreciable asset is:

Mobile Cranes > 20T		**20 Years**
Tower Cranes		**20 Years**
Tower Sections / Frames		**20 Years**
Stiffleg Derricks		**20 Years**
Mobile Cranes < 20T		**10 Years**
Ancillary Equipment		**10 Years**
Office Equipment		**10 Years**
Workshop Equipment		**10 Years**
Leasehold Improvements	**Lesser of lease term or**	**10 Years**
Vehicles		**5 Years**
Computer Equipment		**3 Years**

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases
The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Finance leases
Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the consolidated entity are capitalised at the present value of the minimum lease payments. A lease liability of equal value is also recognised. Capitalised lease assets are depreciated over the estimated useful life of the assets.

(i) Intangibles

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Goodwill is amortised on a straight line basis over the period during which benefits are expected to be received, being 20 years. Goodwill is reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable, is written off. Under IFRS, goodwill will no longer be amortised. Refer to Note 33(a)(i) for further details.

Contractual rights represent all of the rights, benefits and interest in and to the contract acquired at the time of acquisition of a business or shares in a controlled entity. Contractual rights are amortised on a straight line basis over the life of the contract. Contractual rights are reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable, is written off.

1. Summary of Significant Accounting Policies

(j) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Deferred cash settlements are recognised at the nominal value of the outstanding consideration payable on the acquisition of the business.

(k) Interest bearing liabilities

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

Bills of exchange and promissory notes are carried at the principal amount plus deferred interest.

Finance lease liabilities are determined in accordance with the requirements of AASB 1008 "Leases".

(l) Provisions

Provisions are recognised when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, and it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(m) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services
Revenue from the hire of cranes and services provided is recognised where the outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Interest revenue
Control of the right to receive the interest receivable.

1. Summary of Significant Accounting Policies

(o) Taxes

Income taxes
Tax effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences.

To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax.

The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except:

=> Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

=> Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

(p) Employee benefits

Provision is made for employee benefits (including on costs) accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave, rostered days off and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave, rostered days off, and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

1. Summary of Significant Accounting Policies

(q) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

=> costs of servicing equity (other than dividends) and preference share dividends;

=> the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

=> other non discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with an arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred or amortised over the borrowing period unless they relate to qualifying assets. Qualifying assets are assets, which take more than 12 months to get ready for their intended use or sale.

(s) Investments

Investments in controlled entities are carried at the lower of cost and recoverable amount.

(t) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
2. Revenue From Ordinary Activities					
(a) Revenue from operating activities					
Revenue from services		**132,175**	83,130	**103,692**	64,137
(b) Revenue from non operating activities					
Interest income from other persons/corporations		**297**	77	**286**	61
Proceeds from disposal of plant and equipment		**678**	550	**552**	536
Total revenues from non operating activities		**975**	627	**838**	597
Total revenues from ordinary activities		**133,150**	83,757	**104,530**	64,734

3. Expenses and Losses/(Gains)

	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
(a) Expenses				
Salaries and employee benefits expense	**52,979**	32,099	**40,764**	24,229
Equipment service and supplies	**37,463**	25,951	**28,954**	20,213
Borrowing costs	**3,262**	2,338	**2,473**	1,807
Depreciation expense	**7,190**	4,141	**5,309**	2,900
Amortisation expense	**437**	269	**64**	3
Operating leases	**1,835**	1,241	**1,432**	906
Bad and doubtful debts expense	**384**	92	**375**	43
(b) Losses/(gains)				
Net loss/(gain) on disposal of plant and equipment	**(28)**	(53)	**(61)**	(53)

4. Income Tax

The prima facie tax on profit differs from the income tax provided in the financial statements as follows:

	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Prima facie tax on profit from ordinary activities at 30%	**6,444**	3,971	**5,657**	3,403
Tax effect of permanent differences:				
- Amortisation of intangible assets	**220**	150	**109**	70
- Other deductible items	**(617)**	(219)	**275**	(225)
- Under/(over) provision of previous year	**(6)**	(69)	**-**	(69)
- Tax adjustment upon entry into tax consolidation and resetting tax values	**-**	-	**-**	253
Total effect of permanent differences	**(403)**	(138)	**384**	29
Income tax expense attributable to ordinary activities	**6,041**	3,833	**6,041**	3,432
Deferred tax assets and liabilities				
Current tax payable	**3,076**	2,780	**3,061**	2,828
Future income tax benefit	**2,098**	1,283	**2,098**	1,283
Provision for deferred income tax	**2,558**	1,567	**2,558**	1,567

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000

4. Income Tax (continued)

Tax consolidation
Effective 8 October 2003, for the purposes of income taxation, Boom Logistics Limited and its 100% owned subsidiaries formed a tax consolidation group. The head entity of the tax consolidation group is Boom Logistics Limited.

5. Dividends Paid Or Provided For On Ordinary Shares

(a) Dividends paid during the year

	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Current year interim				
Fully franked dividends (3.0 cents per share) (2004: 1.2 cents per share)	**3,331**	1,108	**3,331**	1,108
Previous year final				
Fully franked dividends (3.9 cents per share)	**3,601**	-	**3,601**	-
	6,932	1,108	**6,932**	1,108

(b) Dividends proposed and not recognised as a liability

	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Fully franked final dividends (3.9 cents per share) (2004: 3.9 cents per share)	**5,657**	3,601	**5,657**	3,601

(c) Franking credit balance

The amount of franking credits available for the subsequent financial year are:

	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
- Franking account balance as at the end of the financial year at 30% (2004: 30%)			**3,755**	2,540
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year			**3,076**	2,780
- Franking debits that will arise from the payment of dividends as at the end of the financial year			**-**	-
			6,831	5,320

The tax rate at which paid dividends have been franked is 30%. Dividends proposed will be franked at the rate of 30%.

6. Receivables (Current)

	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Trade debtors	**27,000**	18,692	**21,858**	14,131
Provision for doubtful debts	**(527)**	(131)	**(465)**	(33)
	26,473	18,561	**21,393**	14,098
Amounts other than trade receivable from wholly owned controlled entities	**-**	-	**-**	301
Goods and services tax	**452**	-	**591**	-
Other receivables	**1,156**	-	**333**	-
Total current receivables	**28,081**	18,561	**22,317**	14,399

		CONSOLIDATED		PARENT	
	Note	**2005**	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000

7. Inventories (Current)

	Note	**2005**	2004	**2005**	2004
Fuel at cost		**188**	78	**129**	36
Other inventory at net realisable value		**169**	46	**123**	-
Total current inventories		**357**	124	**252**	36

8. Other Current Assets

	Note	**2005**	2004	**2005**	2004
Prepayments		**3,743**	1,550	**2,961**	1,321
Other		**115**	86	**115**	50
Total other current assets		**3,858**	1,636	**3,076**	1,371

9. Receivables (Non Current)

	Note	**2005**	2004	**2005**	2004
Amounts from wholly owned controlled entities		**-**	-	**4,314**	-
Total non current receivables		**-**	-	**4,314**	-

10. Other Financial Assets (Non Current)

	Note	**2005**	2004	**2005**	2004
Controlled entities - unlisted	11	**-**	-	**19,846**	19,846
Total non current other financial assets		**-**	-	**19,846**	19,846

11. Interests In Subsidiaries

Name	**Country of incorporation**	**Percentage of equity interest held by the consolidated entity**		**Investment**	
		2005	2004	**2005**	2004
		%	%	**$'000**	$'000
Holt Industries Pty Ltd	Australia	**100**	100	**15,896**	15,896
Heavy Lift Cranes Australia Pty Ltd	Australia	**100**	100	**3,950**	3,950
Hilyte Australia Pty Ltd *****	Australia	**100**	100	**-**	-
Total investment in subsidiaries				**19,846**	19,846

Nature of the entities acquired are predominately crane hire businesses. Refer to Note 22(e) for further acquisition details. ***** Investment is held by Holt Industries Pty Ltd.

12. Property, Plant and Equipment

	Note	**2005**	2004	**2005**	2004
Leasehold improvements					
At cost		**242**	134	**197**	134
Accumulated depreciation		**(32)**	(10)	**(28)**	(10)
		210	124	**169**	124
Plant and equipment					
At cost		**68,815**	39,386	**58,341**	30,355
Accumulated depreciation		**(6,624)**	(2,961)	**(5,320)**	(2,409)
		62,191	36,425	**53,021**	27,946

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000

12. Property, Plant and Equipment (continued)

Plant and equipment under lease				
At cost	**69,743**	44,710	**49,753**	26,732
Accumulated depreciation	**(6,474)**	(3,195)	**(4,707)**	(2,507)
	63,269	41,515	**45,046**	24,225
Total property, plant and equipment				
At cost	**138,800**	84,230	**108,291**	57,221
Accumulated depreciation	**(13,130)**	(6,166)	**(10,055)**	(4,926)
Total property, plant and equipment	**125,670**	78,064	**98,236**	52,295

(a) Assets pledged as security

Included in the written down balances of property, plant and equipment are assets over which first mortgages have been granted as security over bank loans (see Note 15). The terms of the first mortgages preclude the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder. The mortgages also require plant and equipment that form part of the security to be fully insured at all times.

Assets under lease are pledged as security for the associated lease liabilities.

The value of assets pledged as security are:

- Plant and equipment	**54,003**	28,469	**53,190**	28,070
- Plant and equipment under lease	**63,269**	41,515	**45,046**	24,225
Total value of assets pledged as security	**117,272**	69,984	**98,236**	52,295

(b) Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year are as follow:

Leasehold improvements				
Carrying amount at beginning	**124**	36	**124**	36
Additions	**108**	85	**63**	85
Disposals	**-**	-	**-**	-
Additions through acquisition of entities/operations	**-**	12	**-**	12
Depreciation expense	**(22)**	(9)	**(18)**	(9)
Carrying amount at end	**210**	124	**169**	124
Plant and equipment				
Carrying amount at beginning	**36,425**	12,476	**27,946**	12,476
Additions	**7,627**	3,171	**5,960**	2,981
Disposals / transfers	**(3,797)**	(164)	**(3,620)**	(150)
Additions through acquisition of entities/operations	**25,661**	23,090	**25,661**	14,235
Depreciation expense	**(3,725)**	(2,148)	**(2,926)**	(1,596)
Carrying amount at end	**62,191**	36,425	**53,021**	27,946

12. Property, Plant and Equipment (continued)

(b) Reconciliations (continued)

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Plant and equipment under lease					
Carrying amount at beginning		**41,515**	16,196	**24,225**	16,196
Additions		**11,502**	5,329	**9,425**	3,185
Disposals / transfers*		**2,794**	(472)	**2,860**	(472)
Additions through acquisition of entities/operations		**10,901**	22,446	**10,901**	6,611
Depreciation expense		**(3,443)**	(1,984)	**(2,365)**	(1,295)
Carrying amount at end		**63,269**	41,515	**45,046**	24,225

** Disposals/transfers include movements between owned and leased categories during the year.*

13. Intangibles

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Goodwill		**11,117**	7,261	**3,856**	-
Accumulated amortisation		**(628)**	(266)	**-**	-
		10,489	6,995	**3,856**	-
Contractual rights	13(a)	**5,380**	-	**5,380**	-
Accumulated amortisation		**-**	-	**-**	-
		5,380	-	**5,380**	-
Formation expenses		**78**	78	**67**	67
Accumulated amortisation		**(78)**	(3)	**(67)**	(3)
		-	75	**-**	64
Total intangibles		**15,869**	7,070	**9,236**	64

(a) During the financial year, contractual rights were acquired as part of the asset purchase of Brambles - Port Hedland (WA) on 30 June 2005.

14. Payables (Current)

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Trade creditors - unsecured		**8,005**	6,130	**6,180**	4,033
Other creditors - unsecured		**1,137**	1,510	**1,305**	878
		9,142	7,640	**7,485**	4,911
Amounts payable to wholly owned controlled entities		**-**	-	**6**	169
Total current payables		**9,142**	7,640	**7,491**	5,080

15. Interest Bearing Liabilities

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Current - secured					
Lease liability	15(a),23(b)	**8,378**	5,836	**5,116**	3,274
Bank loans / chattel mortgage	15(b),23(b)	**2,150**	831	**2,150**	831
Bills of exchange		**-**	500	**-**	500
Other loans	15(c)	**2,654**	1,207	**2,654**	1,207
Total current interest bearing liabilities		**13,182**	8,374	**9,920**	5,812
Non current - secured					
Lease liability	15(a),23(b)	**31,012**	23,063	**24,175**	16,355
Bank loans	15(b),23(b)	**14,150**	3,842	**14,150**	3,842
Total non current interest bearing liabilities		**45,162**	26,905	**38,325**	20,197

(a) Lease liability relates to hire purchase leases that have an average lease term of 5 years. The average discount rate implicit in the leases is 7.5% (2004: 8.0%). Lease liabilities are secured by a charge over the leased assets and first registered mortgage over the whole of Boom Logistics Limited and Heavy Lift Cranes Australia Pty Ltd assets and guarantee and indemnities provided by Boom Logistics Limited.

(b) Bank loans mainly represent chattel mortgages and are repayable monthly with an average term of 5 years. Interest is recognised at an average rate of 7.5% (2004: 8.0%). The bank loans are secured by a first registered mortgage over the assets of the companies carrying the liabilities.

(c) Other loans represent financing of the group insurance premium repayable over 11 months with an effective interest rate of 4.5%.

16. Provisions (Current)

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Employee benefits	24(a)	**5,838**	3,815	**4,529**	2,419
Other		**23**	-	**23**	-
Total current provisions		**5,861**	3,815	**4,552**	2,419

17. Other Current Liabilities

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
PAYG tax withheld		**254**	1,053	**203**	813
Goods and services tax		**-**	450	**-**	369
Deferred cash settlement for business acquired	17(a)	**10,924**	4,145	**10,444**	1,150
Other accrued expenses		**1,001**	458	**897**	372
Total other current liabilities		**12,179**	6,106	**11,544**	2,704

(a) At reporting date, Boom Logistics Limited had deferred cash settlements representing the remaining consideration payable for the acquisition of Heavy Lift Cranes Australia Pty Ltd and the asset purchases of Brambles - Bowen Basin (QLD) and Brambles - Port Hedland (WA). Refer to Note 19 for non current portion.

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
18. Provisions (Non Current)					
Employee benefits	24(a)	**80**	63	**58**	37
Total non current provisions		**80**	63	**58**	37
19. Other Non Current Liabilities					
Deferred cash settlement for business acquired	17(a)	**2,000**	320	**2,000**	-
Amounts payable to wholly owned controlled entities		**-**	-	**1,394**	413
Total other non current liabilities		**2,000**	320	**3,394**	413
20. Contributed Equity					
(a) Issued and paid up capital					
Ordinary shares fully paid		**70,075**	41,576	**70,075**	41,576

(b) Movements in shares on issue

		2005 No. of shares	2005 $'000	2004 No. of shares	2004 $'000
Beginning of the financial year		**92,345,215**	**41,576**	43,735,706	8,894
Issued during the year:					
- employee share incentive schemes	(i)	**480,872**	**-**	2,124,571	-
- public equity raising		**-**	**-**	26,250,000	21,000
- prior year acquisitions	(ii)	**-**	**-**	20,234,938	15,016
- share placement	(iii)	**15,766,400**	**23,649**	-	-
- purchase of Singleton Transport & Industrial Service Company P/L assets	(iv)	**2,439,025**	**4,000**	-	-
- purchase of Carrington Steel P/L assets	(v)	**199,005**	**400**	-	-
- exercise of share options	20(c)	**2,015,000**	**1,133**	-	-
- capital raising costs		**-**	**(683)**	-	(3,334)
Total issued during the year		**20,900,302**	**28,499**	48,609,509	32,682
End of the financial year		**113,245,517**	**70,075**	92,345,215	41,576

(i) This amount represents the granting of 480,872 ordinary shares to employees as part of the employee share incentive schemes for nil consideration during the financial year. Refer to Notes 24(b) for further details.

(ii) Amounts represent ordinary shares issued as part of consideration in acquiring 4 businesses in the prior year.

(iii) This amount represents share placements in October and November 2004 to fund the asset purchase of Singleton Transport & Industrial Service Company Pty Ltd and provide working capital.

(iv) On 20 October 2004, 2,439,025 ordinary shares were issued as part consideration in acquiring the assets of Singleton Transport & Industrial Service Company Pty Ltd. The value placed on the issue was the contract price at that date of $1.64 per share, being the fair value at that time.

(v) On 10 June 2005, 199,005 ordinary shares were issued as part consideration in acquiring the assets of Carrington Steel Pty Ltd. The value placed on the issue was the contract price at that date of $2.01 per share, being the fair value at that time.

	Note	CONSOLIDATED		PARENT	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000

20. Contributed Equity (continued)

(c) Share options

On 22 March 2005, 2,015,000 options were exercised by Reefside Enterprises Pty Ltd (a director related entity). 760,000 and 1,255,000 options were exercised at $0.50 and $0.60, respectively.

At the end of the financial year, there were nil unissued ordinary shares in respect of which options were outstanding (2004: 1,255,000 issued at $0.60 exercise price).

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of Boom Logistics Limited.

21. Retained Profits

	Consolidated 2005	Consolidated 2004	Parent 2005	Parent 2004
Balance at the beginning of year	**10,164**	1,867	**8,670**	1,867
Net profit attributable to members of Boom Logistics Limited	**15,439**	9,405	**12,814**	7,911
Total available for appropriation	**25,603**	11,272	**21,484**	9,778
Dividends paid	**(6,932)**	(1,108)	**(6,932)**	(1,108)
Balance at end of year	**18,671**	10,164	**14,552**	8,670

22. Statement of Cash Flows

(a) Reconciliation of the net profit after tax to the net cash flows from operations

	Consolidated 2005	Consolidated 2004	Parent 2005	Parent 2004
Net profit after tax	**15,439**	9,405	**12,814**	7,911
Non cash items				
Depreciation of non current assets	**7,190**	4,141	**5,309**	2,900
Amortisation of non current assets	**437**	269	**64**	3
Net (profit)/loss on disposal of plant and equipment	**(28)**	(53)	**(61)**	(53)
Provision for doubtful debts	**384**	92	**375**	43
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	**(9,520)**	(9,412)	**(7,918)**	(8,484)
(Increase)/decrease in inventory	**(60)**	8	**(43)**	20
(Increase)/decrease in future income tax benefit	**(714)**	(125)	**(714)**	(533)
(Increase)/decrease in prepayments and other assets	**(978)**	625	**(5,315)**	476
(Decrease)/increase in trade and other creditors	**1,502**	3,830	**2,411**	1,879
(Decrease)/increase in tax provision	**296**	2,524	**233**	2,572
(Decrease)/increase in deferred income tax liability	**991**	779	**991**	779
(Decrease)/increase in employee entitlements	**481**	329	**572**	211
(Decrease)/increase in other liabilities	**2,873**	(1,173)	**2,938**	1,520
Net cash flow from operating activities	**18,292**	11,238	**11,656**	9,244

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000

22. Statement of Cash Flows (continued)

(b) Reconciliation of cash

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Cash balance comprises:					
- cash assets		**6,053**	2,572	**6,155**	2,009
Closing cash balance		**6,053**	2,572	**6,155**	2,009

(c) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Total facilities					
- bank overdraft		**2,400**	1,900	**2,000**	1,500
- bank loans		**84,824**	47,681	**77,701**	38,165
Facilities used at reporting date					
- bank overdraft		**-**	-	**-**	-
- bank loans		**55,690**	34,072	**45,591**	24,802
Facilities unused at reporting date					
- bank overdraft		**2,400**	1,900	**2,000**	1,500
- bank loans		**29,134**	13,609	**32,110**	13,363

(d) Non cash financing and investing activities

Finance Lease Transactions
During the financial year the consolidated entity acquired plant and equipment with an aggregate fair value of $12,749,215 (2004: $6,092,795) by means of hire purchase contracts.

Shares Issued For Business Acquisitions
During the reporting period, Boom Logistics Limited issued ordinary shares to the value of $4,400,000 as part of acquiring the businesses disclosed in Note 22(f).

(e) Payments for business acquisitions

During the financial year, payments for business acquisitions were as follows:

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Business acquired during the financial year	22(f)	**26,701**	16,652	**26,701**	17,199
Deferred cash settlement for business acquired		**3,985**	4,630	**1,150**	4,467
		30,686	21,282	**27,851**	21,666

22. Statement of Cash Flows (continued) — 2005

(f) Acquisition of controlled entities and businesses

The following businesses were acquired during the 2005 reporting period:

Entity	**Singleton Transport & Industrial Service Company P/L**	**Brambles Bowen Basin (QLD)**	**Carrington Steel P/L**	**Cameron Cranes P/L**	**Brambles Port Hedland (WA)**	**Total Acquisitions**
Date of Acquisition	20 October 2004	1 March 2005	10 June 2005	10 June 2005	30 June 2005	Year Ended
Type of Acquisition	asset purchase	asset purchase	asset purchase	asset purchase	asset purchase	30 June 2005
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
(i) Consideration						
- cash paid	9,880	6,500	816	3,144	6,361	**26,701**
- ordinary shares	4,000	-	400	-	-	**4,400**
- deferred payments	-	5,000	-	-	7,444	**12,444**
	13,880	11,500	1,216	3,144	13,805	**43,545**
(ii) Net assets acquired						
- inventories	50	-	-	-	123	**173**
- other current assets	-	7	-	171	1,066	**1,244**
- intangibles	-	-	-	-	5,380	**5,380**
- fixed assets	16,353	11,592	2,085	1,900	4,632	**36,562**
- non current assets	-	-	47	12	42	**101**
	16,403	11,599	2,132	2,083	11,243	**43,460**
- provisions	(1,093)	(99)	(157)	(94)	(139)	**(1,582)**
- interest bearing liabilities	(1,430)	-	(759)	-	-	**(2,189)**
	(2,523)	(99)	(916)	(94)	(139)	**(3,771)**
Net assets acquired	13,880	11,500	1,216	1,989	11,104	**39,689**
(iii) Goodwill arising on acquisition	-	-	-	1,155	2,701	**3,856**
(iv) Net cash effect						
Cash consideration paid	9,880	6,500	816	3,144	6,361	**26,701**

22. Statement of Cash Flows (continued)

2004

(f) Acquisition of controlled entities and businesses (continued)

The following businesses were acquired during the 2004 reporting period:

Entity	**Conmor Cranes**	**Heavy Lift Cranes Australia P/L**	**Purcell**	**Holt Industries P/L**	**Brambles (NSW)**	**Brambles (WA)**	**Total Acquisitions**
Date of Acquisition	7 October 2003	7 October 2003	7 October 2003	7 October 2003	9 October 2003	1 July 2003	Year Ended
Type of Acquisition	asset purchase	asset purchase	asset purchase	asset purchase	asset purchase	asset purchase	30 June 2004
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
(i) Consideration							
- cash paid	2,958	1,445	4,085	8,168	4,697	476	**21,829**
- ordinary shares	3,516	2,750	750	8,000	-	-	**15,016**
- deferred payments	-	-	-	-	1,150	-	**1,150**
	6,474	4,195	4,835	16,168	5,847	476	**37,995**
(ii) Net assets acquired							
- cash	-	30	-	517	-	-	**547**
- trade debtors	-	975	-	2,259	-	-	**3,234**
- inventories	17	6	4	70	14	-	**111**
- other current assets	-	212	18	202	52	7	**491**
- intangibles	-	500	-	615	-	-	**1,115**
- fixed assets	7,009	2,900	7,055	21,790	6,251	543	**45,548**
- other non current assets	237	54	22	354	202	19	**888**
	7,263	4,677	7,099	25,807	6,519	569	**51,934**
- trade creditors	-	(290)	-	(319)	-	-	**(609)**
- provisions	(789)	(166)	(72)	(1,138)	(672)	(63)	**(2,900)**
- other current liabilities	-	(393)	-	(1,954)	-	(30)	**(2,377)**
- interest bearing liabilities	-	(2,079)	(2,192)	(7,716)	-	-	**(11,987)**
- other non current liabilities	-	(1,130)	-	(1,093)	-	-	**(2,223)**
	(789)	(4,058)	(2,264)	(12,220)	(672)	(93)	**(20,096)**
Net assets acquired	6,474	619	4,835	13,587	5,847	476	**31,838**
(iii) Goodwill arising on acquisition	-	3,576	-	2,581	-	-	**6,157**
(iv) Net cash effect							
Cash consideration paid	2,958	1,445	4,085	8,168	4,697	476	**21,829**
Cash included in net assets acquired	-	30	-	517	-	-	**547**
Net cash paid	2,958	1,415	4,085	7,651	4,697	476	**21,282**

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000

23. Expenditure Commitments

(a) Operating leases (non cancellable)

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
Minimum lease payments	(i)				
- not later than one year		**2,685**	1,485	**2,338**	1,354
- later than one year and not later than five years		**5,234**	4,079	**4,850**	3,684
- later than five years		**562**	837	**562**	837
Aggregate operating lease expenditure contracted for at reporting date		**8,481**	6,401	**7,750**	5,875

(i) Operating leases have an average lease term of 2 to 5 years. Assets that are subject to operating leases include items of plant and equipment and motor vehicles.

(b) Hire purchase and chattel mortgage contracts

The consolidated entity has various cranes on hire purchase and chattel mortgage contracts for periods of between 36 to 60 months.

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
- not later than one year		**14,267**	9,006	**10,325**	5,810
- later than one year and not later than five years		**51,268**	29,727	**43,570**	22,219
- later than five years		**-**	129	**-**	129
Total minimum lease payments		**65,535**	38,862	**53,895**	28,158
- future charges		**(9,845)**	(5,290)	**(8,304)**	(3,856)
Net hire purchase liability		**55,690**	33,572	**45,591**	24,302
- current liability	15	**10,528**	6,667	**7,266**	4,105
- non current liability	15	**45,162**	26,905	**38,325**	20,197
		55,690	33,572	**45,591**	24,302

24. Employee Benefits and Commitments

The consolidated entity employed 663 employees as at 30 June 2005 (2004: 398 employees).

(a) Employee benefits

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000
The aggregate employee benefit liability is comprised of:					
- accrued salaries, wages and on costs		**388**	51	**384**	51
- provisions (current)	16	**5,838**	3,815	**4,529**	2,419
- provisions (non current)	18	**80**	63	**58**	37
		6,306	3,929	**4,971**	2,507

(b) Employee share incentive scheme

Two employee share incentive schemes were established by Boom Logistics Limited to assist in attracting, retaining and motivating key employees as follow:

=> Exempt Share Plan (ESP); and
=> Employee Share Trust (EST).

24. Employee Benefits and Commitments (continued)

(b) Employee share incentive scheme (continued)

The terms and conditions of the schemes are summarised as follow:

Exempt share plan (ESP)
Under this scheme, all permanent employees (excluding directors and senior management) of Boom Logistics Limited with twelve months continuous service were offered 1,000 ordinary shares and/or $1,000 worth of ordinary shares in Boom Logistics Limited for nil consideration. The ordinary shares issued are held in trust for the requisite three years restrictive period and will be released earlier in the event of cessation of employment. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited.

Employee share trust (EST)
Under this scheme, certain employees (excluding directors) selected by the Board of Directors are offered ordinary shares in Boom Logistics Limited by way of Share Units issued by the Share Plan Trustee. The Share Units are funded by way of an interest free loan provided by the Share Plan Trustee. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited.

Information with respect to the number of ordinary shares issued under the employee share incentive schemes is as follows:

	Note	**2005 Number of shares**	2004 Number of shares
Balance at beginning of year		**464,000**	-
- issued for nil consideration		**480,872**	466,000
- issued in lieu of cash remuneration		**46,592**	-
- sold / transferred		**(225,144)**	(2,000)
- cancelled		**-**	-
Balance at end of year		**766,320**	464,000

25. Contingent Assets and Contingent Liabilities

There are no contingent assets or contingent liabilities as at reporting date.

26. Subsequent Events

Subsequent to 30 June 2005, the consolidated entity signed several commercial hire purchase agreements to acquire plant and equipment to the value of $4,347,562.

On 4 July 2005, the consolidated entity exercised its option to enter into a contractual arrangement to acquire Sherrin Hire Pty Ltd for $60 million. Sherrin Hire Pty Ltd is a provider of crane and access equipment hire with a complimentary focus to Boom Logistics Limited. Settlement of this transaction occurred on the 8 August 2005.

On 5 July 2005, the consolidated entity issued 16,750,000 ordinary shares at $2.20 per share as part of the first tranche of the $67 million share placement to fund the acquisition of Sherrin Hire Pty Ltd.

On 4 August 2005, the consolidated entity held an extraordinary general meeting (EGM) of shareholders which approved the issue of 13,704,545 ordinary shares at $2.20 per share as part of the final tranche of the $67 million share placement to fund the acquisition of Sherrin Hire Pty Ltd. The EGM also approved the allotment of 1,359,949 ordinary shares at $2.206 per share rounded to Michael Sherrin / Sherrin Investments Pty Ltd as trustee for the Sherrin Family Trust as a component of the purchase price for the acquisition of Sherrin Hire Pty Ltd under the Share Sale Agreement. The shares were subsequently issued on the 8 August 2005 on settlement of the acquisition.

On 11 August 2005, the directors of Boom Logistics Limited declared a fully franked final dividend of 3.9 cents per share totalling $5,657,340 in respect of the 2005 financial year. The dividend has not been provided for in the 30 June 2005 financial statements.

	Note	CONSOLIDATED 2005 $'000	CONSOLIDATED 2004 $'000	PARENT 2005 $'000	PARENT 2004 $'000

27. Earnings Per Share

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:

	2005	2004
Net profit	**15,439**	9,405
	No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share	**105,634,498**	78,756,314
Effect of dilutive securities:		
- share options	**-**	867,856
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**105,634,498**	79,624,170
Number of ordinary shares at financial year end	**113,245,517**	92,345,215

Issues after 30 June 2005
Since the end of the financial year, 1,359,949 and 30,454,545 ordinary shares have been issued in relation to the acquisition of Sherrin Hire Pty Ltd and related share placement. There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

28. Auditors' Remuneration

	Consolidated 2005	Consolidated 2004	Parent 2005	Parent 2004
Amounts received or due and receivable by PKF for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated entity	**100,461**	89,145	**90,461**	79,145
- other services in relation to the entity and any other entity in the consolidated entity:				
- tax compliance (PKF Melbourne)	**41,359**	26,606	**32,086**	26,606
- special audits required by regulators	**-**	1,000	**-**	1,000
	141,819	116,751	**122,546**	106,751
Amounts received or due and receivable by related practice of the auditor of the consolidated entity:				
- other services	**-**	247,804	**-**	247,804

29. Director and Executive Disclosures

(a) Details of specified directors and specified executives

Specified directors

John Robinson	Chairman (Non-executive)
Roderick G. Harmon	Director and Chief Executive Officer
Terrance A. Hebiton	Director (Non-executive)
Douglas E. Williams	Director (Non-executive)
Fiona Bennett	Director (Non-executive) resigned 24 June 2005
Dr. Huw G. Davies	Director (Non-executive)
Terrence Francis	Director (Non-executive) appointed 13 January 2005

Specified executives

Mark Lawrence	Chief Financial Officer and Company Secretary
Brian Praetz	General Manager - Western Australian Division
Drew Baker	General Manager - Victorian Tower Crane Division
Brenton Salleh	General Manager - Victorian Mobile Crane Division
Alex Pagonis	General Manager - Queensland Division
Mark Apthorpe	General Manager - New South Wales Division
Frank Legena	National Manager - Quality, Safety and Risk

29. Director and Executive Disclosures (continued)

(b) Remuneration of specified directors and specified executives

Remuneration policy
The Nomination and Remuneration Committee of the Board of Directors of Boom Logistics Limited is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team. The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

To assist in achieving these objectives, the Nomination and Remuneration Committee links the nature and amount of executives' emoluments to the company's financial and operational performance. All executives have the opportunity to qualify for participation in the Employee Share Incentive Plan which currently provides incentives where specified criteria are met including criteria relating to revenue, profitability, share price growth and environmental performance.

In addition, all executives are entitled to annual bonuses payable upon the achievement of annual corporate profitability measures, the most important being earnings per share.

		Primary		Post Employment		Equity *	Other	Total
	Salary & Fees	**Cash Bonus**	**Non Monetary benefits**	**Super-annuation**	**Retirement benefits**			
<u>Specified directors</u>								
John Robinson								
2005	**80,000**	**-**	**-**	**7,200**	**-**	**-**	**-**	**87,200**
2004	70,000	-	-	6,300	-	-	-	76,300
Roderick G. Harmon								
2005	**367,873**	**74,250**	**1,306**	**39,000**	**-**	**81,250**	**-**	**563,679**
2004	310,919	9,138	89	24,188	-	1,326,857	-	1,671,191
Terrance A. Hebiton								
2005	**35,000**	**-**	**-**	**3,150**	**-**	**-**	**-**	**38,150**
2004	31,250	-	-	2,813	-	-	-	34,063
Douglas E. Williams								
2005	**35,000**	**-**	**-**	**3,150**	**-**	**-**	**-**	**38,150**
2004 **	91,317	20,000	3,834	5,611	-	-	-	120,762
Fiona Bennett								
2005	**35,000**	**-**	**-**	**3,150**	**-**	**-**	**-**	**38,150**
2004	31,250	-	-	2,813	-	-	-	34,063
Dr. Huw G. Davies								
2005	**35,000**	**-**	**-**	**3,150**	**-**	**-**	**-**	**38,150**
2004	31,250	-	-	2,813	-	-	-	34,063
Terrence Francis								
2005	**17,500**	**-**	**-**	**1,575**	**-**	**-**	**-**	**19,075**
Total Remuneration: Specified Directors								
2005	**605,373**	**74,250**	**1,306**	**60,375**	**-**	**81,250**	**-**	**822,554**
2004	565,986	29,138	3,923	44,538	-	1,326,857	-	1,970,442

***** *Equity remuneration represents ordinary shares in Boom Logistics Limited issued for nil consideration. For the purpose of this disclosure, the ordinary shares have been valued at market value at the grant date being $1.69 per share for Roderick G. Harmon. No expenditure or cash flow was incurred by Boom Logistics Limited as a result of this transaction based on existing accounting standards.*

****** *Douglas Williams was also an employee during the 2004 financial year.*

29. Director and Executive Disclosures (continued)

(b) Remuneration of specified directors and specified executives (continued)

		Primary			Post Employment		Equity *	Other	Total
		Base Salary	Cash Bonus	Non Monetary benefits	Super-annuation	Retirement benefits			
Specified executives									
Mark Lawrence **									
	2005	**204,520**	**-**	**2,109**	**23,868**	**-**	**138,479**	**-**	**368,976**
	2004	183,464	9,972	213	15,750	-	120,000	-	329,399
Drew Baker									
	2005	**170,486**	**45,638**	**799**	**19,608**	**-**	**91,710**	**-**	**328,241**
	2004	159,125	28,600	849	13,680	-	120,000	-	322,254
Brian Praetz									
	2005	**171,651**	**38,779**	**-**	**20,280**	**-**	**92,550**	**-**	**323,260**
	2004	171,112	10,961	-	14,130	-	120,000	-	316,203
Frank Legena									
	2005	**150,428**	**25,416**	**9,149**	**16,980**	**-**	**21,225**	**-**	**223,198**
	2004	143,919	10,354	4,931	12,707	-	-	-	171,911
Brenton Salleh ***									
	2005	**154,449**	**12,600**	**-**	**18,360**	**-**	**22,950**	**-**	**208,359**
	2004	103,161	-	-	7,500	-	-	-	110,661
Alex Pagonis									
	2005	**149,546**	**-**	**330**	**12,393**	**-**	**20,640**	**-**	**182,909**
Mark Apthorpe									
	2005	**115,474**	**-**	**-**	**12,600**	**-**	**21,000**	**-**	**149,074**
Total Remuneration: Specified Executives									
	2005	**1,116,554**	**122,433**	**12,387**	**124,089**	**-**	**408,554**	**-**	**1,784,017**
	2004	760,781	59,887	5,993	63,767	-	360,000	-	1,250,428

***** *Equity remuneration represents ordinary shares in Boom Logistics Limited issued for nil consideration. For the purpose of this disclosure, the ordinary shares have been valued at market values at the grant dates. No expenditure or cash flow was incurred by Boom Logistics Limited as a result of this transaction based on existing accounting standards.*

*** Mark Lawrence is also a director of all the subsidiaries of Boom Logistics Limited. $31,500 bonus paid during the financial year was taken in shares under the Employee Share Plan.*

**** Brenton Salleh is also a director of Heavy Lift Cranes Australia Pty Ltd.*

(c) Option holdings of specified directors and specified executives

	Balance at beginning of period	Granted as remuner-ation	Options exercised	Net change other	Balance at end of period
	1 July 04			#	30 June 05
Specified directors					
Terrance A. Hebiton	2,015,000	-	(2,015,000)	-	-
Total	**2,015,000**	**-**	**(2,015,000)**	**-**	**-**

*Refer to Note 20(c) for further details of options issued.*

29. Director and Executive Disclosures (continued)

(d) Shareholdings of specified directors and specified executives

Ordinary shares held in Boom Logistics Limited (number)	Balance 1 July 04	Granted as remuner-ation	On exercise of options	Net change other #	Balance 30 June 05
Specified directors					
John Robinson	100,000			2,000	102,000
Roderick G. Harmon	1,661,071	48,077		2,000	1,711,148
Terrance A. Hebiton	4,621,213		2,015,000	(6,272,276)	363,937
Douglas E. Williams	15,122,155			(14,994,000)	128,155
Fiona Bennett	50,000			2,000	52,000
Dr. Huw G. Davies	80,000			6,000	86,000
Terrence Francis	-			22,000	22,000
Specified executives					
Mark Lawrence	382,330	110,130		(2,897)	489,563
Brian Praetz	100,000	55,000		(75,000)	80,000
Drew Baker	100,000	54,503		(75,000)	79,503
Brenton Salleh	1,031,250	13,580		(29,250)	1,015,580
Alex Pagonis	-	12,213			12,213
Mark Apthorpe	-	12,426			12,426
Frank Legena	659,810	12,559		(296,000)	376,369
Total	**23,907,829**	**318,488**	**2,015,000**	**(21,710,423)**	**4,530,894**

*These amounts represent ordinary shares purchased or sold directly or indirectly by the specified directors and executives (including their personally-related entities) during the financial year. These transactions have no connection with their roles and responsibilities as employees of the company.*

All equity transactions by specified directors and specified executives other than those granted as remuneration by the company or the exercise of remuneration options have been transacted under terms and conditions no more favourable than those expected of the general public.

(e) Other transactions and balances with specified directors and specified executives

Services
During the year, Boom Logistics Limited leased 2 premises for $247,848 (2004: 1 premises for $165,000) from Sutville Pty Ltd and Mogador Pty Ltd, both of which Douglas E. Williams is a director. The lease was made on normal commercial terms.

During the year, Boom Logistics Limited leased mobile crane and lifting equipment for $100,175 (2004: $185,870) from Sutville Pty Ltd, of which Douglas E. Williams is a director. The lease was made on normal commercial terms.

During the year, consulting services of $31,680 (2004: $45,034) were provided to Boom Logistics Limited by Sutville Pty Ltd, of which Douglas E. Williams is a director. The consulting services were made on normal commercial terms.

During the year, Boom Logistics Limited purchased a tower crane for $687,500 from Sutville Pty Ltd, of which Douglas E. Williams is a director. The purchase was made on normal commercial terms.

Other
During the year, deferred vendor payment of $194,758 (2004: $48,905) was paid to Brenton Salleh as part of the settlement on the acquisition of Heavy Lift Cranes Australia Pty Ltd.

29. Director and Executive Disclosures (continued)

(e) Other transactions and balances with specified directors and specified executives (continued)

Amounts payable to specified directors and executives at reporting date:

	2005	2004
	$'000	$'000
Current liabilities		
- trade creditors	**62**	110
- other liabilities	**144**	243
Non current liabilities	**-**	96
	206	449

30. Related Party Disclosures

Ultimate parent
Boom Logistics Limited is the ultimate parent company.

31. Segment Information

(a) Segment products and locations

The consolidated entity operates in the crane hire industry and in Australia only.

(b) Segment accounting policies

The group accounts for intercompany sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

Segment accounting policies are the same as the consolidated entity's policies described in Note 1. During the financial year, there were no changes in segment accounting policies that had a material effect on the segment information.

32. Financial Instruments

(a) Interest rate risk

(i) 2005 ($'000s)

	Floating interest rate	Fixed interest rate maturing in: < 1 year	1-5 years	> 5 years	Non interest bearing	Carrying amount per statement of financial position	Weighted average effective interest rate %
Financial assets							
- Cash	6,037	-	-	-	16	**6,053**	5.0%
- Trade and other receivables	-	-	-	-	28,156	**28,156**	N/A
Total financial assets	**6,037**	**-**	**-**	**-**	**28,172**	**34,209**	
Financial liabilities							
- Trade creditors	-	-	-	-	8,005	**8,005**	N/A
- Other creditors	-	-	-	-	1,137	**1,137**	N/A
- Lease liability	-	8,378	31,012	-	-	**39,390**	7.5%
- Bank loans	-	4,804	14,150	-	-	**18,954**	7.5%
- Deferred cash settlement for businesses acquired	-	-	-	-	12,924	**12,924**	N/A
Total financial liabilities	**-**	**13,182**	**45,162**	**-**	**22,066**	**80,410**	

(ii) 2004 ($'000s)

	Floating interest rate	Fixed interest rate maturing in: < 1 year	1-5 years	> 5 years	Non interest bearing	Carrying amount per statement of financial position	Weighted average effective interest rate %
Financial assets							
- Cash	2,563	-	-	-	9	**2,572**	4.4%
- Trade and other receivables	-	-	-	-	18,692	**18,692**	N/A
Total financial assets	**2,563**	**-**	**-**	**-**	**18,701**	**21,264**	
Financial liabilities							
- Trade creditors	-	-	-	-	6,130	**6,130**	N/A
- Other creditors	-	-	-	-	1,510	**1,510**	N/A
- Lease liability	-	5,836	23,063	-	-	**28,899**	8.0%
- Bank loans	-	2,038	3,842	-	-	**5,880**	8.0%
- Bills of exchange	500	-	-	-	-	**500**	5.5%
- Deferred cash settlement for businesses acquired	-	-	-	-	4,465	**4,465**	N/A
Total financial liabilities	**500**	**7,874**	**26,905**	**-**	**12,105**	**47,384**	

N/A not applicable for non interest bearing financial instruments.

(b) Credit risk exposures

The consolidated entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position.

The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers from across the range of business markets in which the group operates.

The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

33. Impact of Adopting Australian Equivalents to IFRS

Boom Logistics Limited is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS) which will be applicable for the financial year ended 30 June 2006. In 2004/05, the company allocated internal resources and consulted expert consultants on key areas that will be impacted by the transition to AIFRS. Priority has been given to the preparation of an opening balance sheet in accordance with AIFRS as at 1 July 2004, Boom Logistics' transition date to AIFRS. This will form the basis of accounting for AIFRS in the future, and is required when Boom Logistics prepares its first fully AIFRS compliant financial report for the year ended 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and our best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005, and on net profit for the year ended 30 June 2005.

The figures disclosed are management's best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to: (a) ongoing work being undertaken by internal resources; (b) potential amendments to AIFRS and interpretations thereof being issued by the standard setters and IFRIC; and (c) emerging accepted practice in the interpretation and application of AIFRS and UIG interpretations.

(a) Reconciliation of equity as presented under AGAAP to that under AIFRS

		CONSOLIDATED		PARENT	
	Note	**30 Jun 05 ** $'000**	**1 Jul 04 * $'000**	**30 Jun 05 ** $'000**	**1 Jul 04 * $'000**
Total equity under AGAAP		**88,746**	**51,740**	**84,627**	**50,246**
Adjustments to retained earnings (net of tax)					
Write back of goodwill amortisation	(i)	362	-	-	-
Recognition of share based payment expense	(ii)	(71)	-	(59)	-
Adjustments to contributed equity					
Recognition of share based payment expense	(ii)	71	-	59	-
Total equity under AIFRS		**89,108**	**51,740**	**84,627**	**50,246**

***** *This column represents the adjustments as at the date of transition to AIFRS.*

*** This column represents the cumulative adjustments as at the date of transition to AIFRS and those for the year ended 30 June 2005.*

(i) Under AASB 3 *Business Combinations* goodwill is not permitted to be amortised but instead is subject to impairment testing on an annual basis or upon the occurrence of triggers which may indicate a potential impairment. Currently the group amortises goodwill over 20 years. The group has not elected to apply AASB 3 retrospectively and hence, amortisation prior to 1 July 2004 would not be written back as at the date of transition.

(ii) Under AASB 2 *Share Based Payments*, the company would recognise the fair value of shares granted to employees as remuneration as an expense on a pro rata basis over the vesting period in the income statement with a corresponding adjustment to equity. Share based payment costs are not recognised under AGAAP.

33. Impact of Adopting Australian Equivalents to IFRS (continued)

(a) Reconciliation of equity as presented under AGAAP to that under AIFRS (continued)

(iii) Under AASB 136 *Impairment of Assets* , the recoverable amount of an asset is determined as the higher of its net selling price and value in use. This will result in a change in the group's current accounting policy which determines the recoverable amount of an asset on the basis of non-discounted cash flows. The group's assets including goodwill were tested for impairment on transition as part of the cash generating unit to which they belong. No impairment of assets, including goodwill were recognised on transition.

(iv) Management has decided to apply the exemption provided in AASB 1 *First time Adoption of Australian Equivalents to International Financial Reporting Standards* which permits entities not to apply the requirements of AASB 132 *Financial Instruments: Presentation and Disclosures* and AASB 139 *Financial Instruments: Recognition and Measurement for the financial year ended 30 June 2005.* The standards will be applied from 1 July 2005.

(v) Under AASB 112 *Income Taxes,* the group would be required to use a balance sheet liability method, rather than the current income statement method, which recognises deferred tax balances where there is a difference between the carrying value of an asset or liability and its tax base. There were no adjustments to deferred tax balances on transition.

(b) Reconciliation of net profit under AGAAP to that under AIFRS

Year ended 30 June 2005	Note	CONSOLIDATED $'000	PARENT $'000
Net profit as reported under AGAAP		**15,439**	**12,814**
Write back of goodwill amortisation	33(a)(i)	362	-
Recognition of share based payment expense	33(a)(ii)	(71)	(59)
Net profit under AIFRS		**15,730**	**12,755**

(c) Restated AIFRS Statement of Cash Flows for the year ended 30 June 2005

No material impacts are expected to the cash flows presented under AGAAP on adoption of AIFRS.

Directors' Declaration

In accordance with a resolution of the directors of Boom Logistics Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and

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

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the CEO and CFO in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2005.

On behalf of the Board

Roderick Harmon	John Robinson
Managing Director	Chairman

Melbourne, 11 August 2005

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INDEPENDENT AUDIT REPORT
TO MEMBERS OF BOOM LOGISTICS LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Boom Logistics Limited (the company and the consolidated entity) for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Boom Logistics Limited is in accordance with:

(a) The Corporations Act 2001, including:

    (i) giving a true and fair view of the Boom Logistics Limited's financial position as at 30 June 2005 and of their performance for the year ended on that date; and

    (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

PKF
Chartered Accountants

IAN P OLSON
Partner

Dated 11th day of August 2005

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 29 July 2005.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of share are:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	488	339,870
1,001	-	5,000	1,953	6,269,636
5,001	-	10,000	1,105	8,529,834
10,001	-	100,000	899	18,959,564
100,001	and over		77	95,896,613
			4,522	129,995,517
The number of shareholders holding less than a marketable parcel of shares are:			13	410

(b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	National Nominees Limited	13,914,869	10.7
2	J P Morgan Nominees Australia	10,815,717	8.3
3	Citicorp Nominees Pty Limited	8,755,610	6.7
4	Westpac Custodian Nominees Limited	6,905,692	5.3
5	RBC Global Services Australia Nominees Pty Limited	6,151,313	4.7
6	Cadilla Pty Ltd	3,834,949	3.0
7	ANZ Nominees Limited	3,051,767	2.3
8	Queensland Investment Corporation	2,742,207	2.1
9	Mr Leslie Raymond Holt	2,502,000	1.9
10	Mrs Patricia Gail Holt	2,502,000	1.9
11	Singleton Transport & Industrial Services Co Pty Ltd	2,439,025	1.9
12	Hugh Anthony Morris & Anna Rosalind Morris	2,408,250	1.9
13	Mr Hugh Anthony Morris	2,261,969	1.7
14	Mirrabooka Investments Limited	1,904,500	1.5
15	Cogent Nominees Pty Limited	1,803,765	1.4
16	Mr Thomas John Morris	1,761,969	1.4
17	Harmon Consulting Pty Ltd	1,658,571	1.3
18	Argo Investments Limited	1,442,500	1.1
19	Invia Custodian Pty Limited	1,302,089	1.0
20	The Australian National University	1,211,500	0.9
Top twenty shareholders		79,370,262	61.1
Remainder		50,625,255	38.9
Total		**129,995,517**	**100.0**

(c) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.