

BOON

LOGISTICS
LIMITED



Annual Report 2005

Corporate Information

Directors

R John Robinson
Roderick G Harmon
Terence A Hebiton
Douglas E Williams
Jane M Harvey
Dr Huw G Davies
Terrence C Francis

Company Secretary

Mark A Lawrence

Registered Office

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Melbourne, Victoria, 3004
Telephone (03) 9864 0200
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Internet Address

www.boomlogistics.com.au

Legal Advisers

Phillips Fox

Auditors

PKF Chartered Accountants

Share Register

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, Victoria, 3067
Investor Enquiries 1300 850 505

Annual General Meeting

Friday, 14 October 2005
@ 10.00am
The Royce Hotel
379 St Kilda Road
Melbourne, Victoria

Boom Logistics Annual Report 2005

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Chairman's Overview



At the time of last year's review I noted that the Company's management and workforce had built a solid base for further growth. I am pleased to report that during the last twelve months much of this potential has been realised and at the close of the year the Company is well positioned to make further substantial gains as it rolls out its national growth strategy.

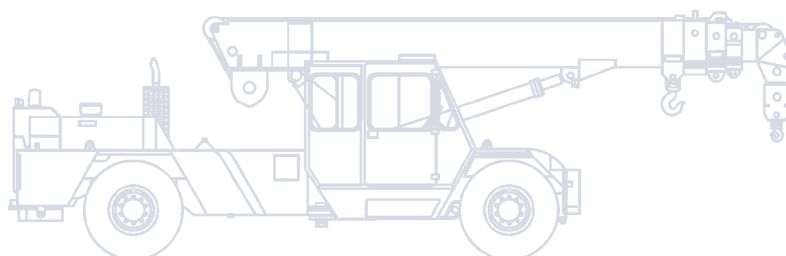
Earnings per share growth of 24% has been underpinned by the acquisition of five new crane businesses during the year, supplemented by organic growth in the base business of some 10%. The acquisitions have consolidated the Company's lifting solutions service in the important coal producing centres of the Bowen Basin in Queensland and the Hunter Valley of New South Wales, whilst also establishing more recently a position in the Newcastle region of New South Wales and an increased presence in the resource centre of Port Hedland in Western Australia.

At year end employee numbers had grown from around 400 to over 660; the crane fleet had increased by 35% to 354 machines and our national presence had been reinforced with the

opening of seven new depots. Organic growth during this period has been supported by capital investment of \$8m on new equipment. It is particularly pleasing to note that with this backdrop of growth in people and equipment, management have also been able to deliver a 51% improvement in safety performance, measured in terms of Lost Time Injuries.

The strong financial performance during the year and the prospect of further strong growth in the year ahead has been well supported by the market. A combination of increased equity to fuel this growth and a stronger share price has resulted in the Company's market capitalisation more than doubling over the twelve month period.

With the improved profitability of the Company, a final fully franked dividend of 3.9 cents per share will be paid on 21 September 2005 to those holding shares on 31 August 2005. This brings the total dividend for the year to a fully franked 6.9 cents per share, representing a payout of 50% of after tax profit and an increase over the previous full year's dividend of 35%.



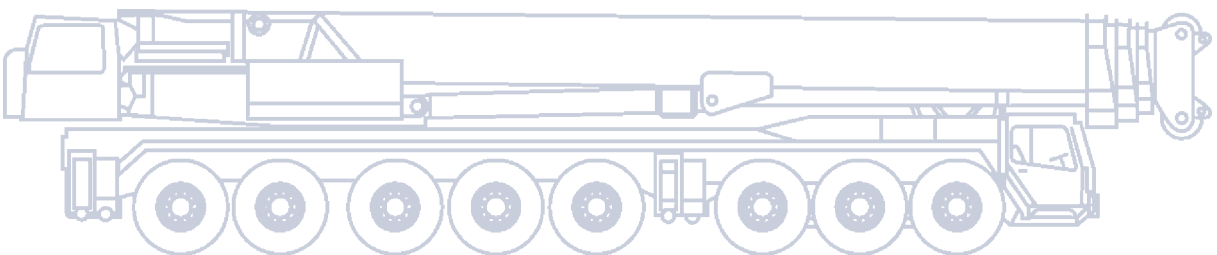


Looking ahead to the year in prospect, the Company announced at the end of June the signing of a sale and purchase agreement to acquire Sherrin Hire. Settlement of this acquisition occurred on 8 August 2005. The synergistic opportunities presented by this acquisition are substantial. This, together with the acquisition of the Brambles Port Hedland crane business and the two Newcastle businesses, also announced in June 2005, will provide a strong base for further growth.

The strong performance of Boom Logistics during the past year and the positioning of the Company for further growth in the year ahead is a reflection of the outstanding performance of management and employees. Smooth business integration and a cohesive corporate culture focused on employee safety and service delivery to customers pays tribute to all involved.

John Robinson
Non-Executive Chairman

Providers of Lifting Solutions to Australia



Chief Executive Officer's Report



This year we achieved an excellent result in a number of areas in further establishing Boom Logistics Limited as the premier national lifting solutions provider to Australian Industry.

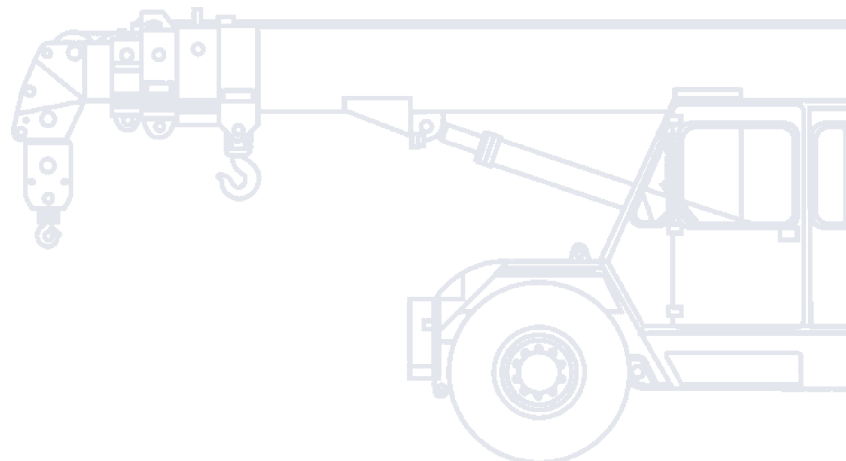
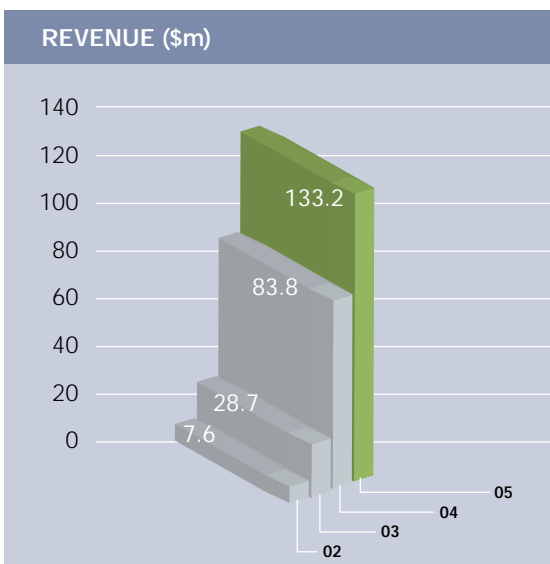
Leveraging off an excellent platform established in the previous year, the Company continued to consolidate its market position with five further acquisitions supported by an underlying organic growth rate of 10%.

Our full year revenue of \$133m was 59% above last year's result of \$84m. This increase was driven by strong demand across all market sectors and the full year contribution of the acquisitions made in the prior year and part contribution of the acquisitions made this year.

Our operating focus remains that of delivering value to our customers through the provision of innovative, bundled quality service. Our strategic focus continues to centre on maintaining a diverse customer base with specific emphasis on the maintenance and engineering construction sectors which now represents 81% of our revenue base.

Our full year after tax profit of \$15.4m was 64% above last years result of \$9.4m.

The balance sheet remains strong with a gearing level of 59%. Interest cover remains conservative at 8 times.



\$m	2005	2004	% change
Financial performance			
Operating Revenue	133.2	83.8	59%
EBITDA	32.1	20.0	61%
EBIT	24.5	15.6	57%
Net Profit After Tax	15.4	9.4	64%
NOPAT %	11.6%	11.2%	0.4%
Financial ratios			
Earnings per share (cents)	14.6	11.8	24%
Dividend per share (cents)	6.9	5.1	35%
Interest Cover (times)	8.2	6.9	19%
Debt Cover (times)	2.7	2.3	17%
Net debt/ equity	59%	63%	(- 6%)

Throughout the year we continued to invest in the growth of the Company with \$17m internally invested (\$9 million replacement capital expenditure and \$8 million new capital expenditure) and further consolidation of our market position with \$46m invested in the following five acquisitions:

- ▲ Bowers' Heavy Haulage & Crane Services, Hunter Valley, NSW
- ▲ Brambles Bowen Basin Cranes, QLD
- ▲ Cameron Cranes and Carrington Steel, Newcastle, NSW
- ▲ Brambles Port Hedland Cranes, WA

In addition to this we were pleased to announce on 8 August 2005 the acquisition of Sherrin Hire Pty Ltd which will further enhance our lifting solutions offer to our clients.

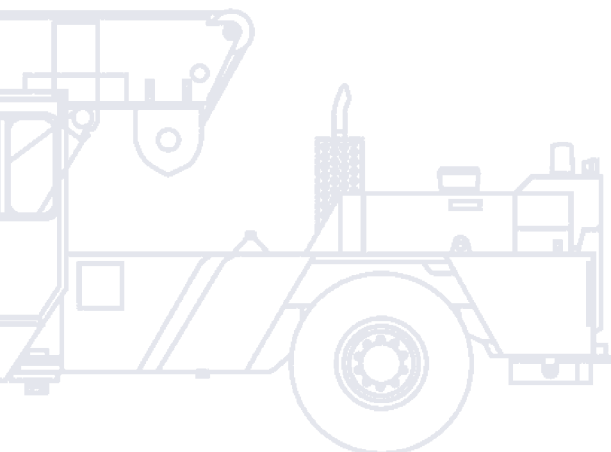
A very pleasing aspect of our performance this year has been the substantial improvement in our safety performance with a 51% improvement in our Lost Time Injury Frequency Rate.

The results have been achieved through the ongoing commitment of our people. Through their dedication, professionalism and effort will flow the ongoing success of our business. As we continue to grow, our commitment to the values of our Company and the delivery of excellence will ensure continued success and delivery of value to all stakeholders.

On behalf of myself and the management team I would like to thank all stakeholders, particularly our employees for their support during our second year as an ASX publicly listed company.



Rod Harmon
Chief Executive Officer



Executive Summary

Background

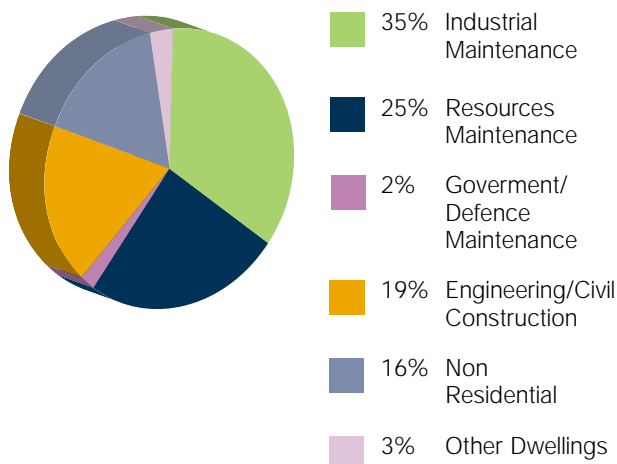
BOOM, which can trace its business origins back to 1977, listed on the ASX in October 2003 to capitalise on organic and consolidation opportunities in the crane industry. The Company identified the market need for superior service from a nationally focused operator. BOOM is estimated to have a 17% market share of the crane hire market and is the only lifting solutions hire service provider that maintains a national presence.

Services

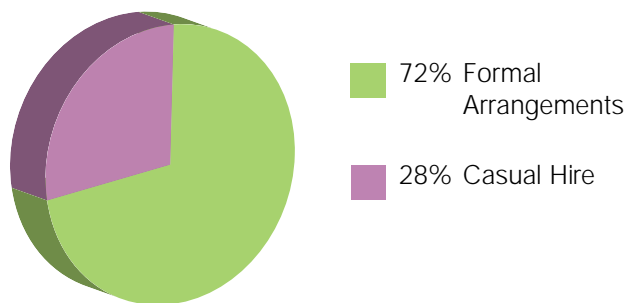
The Company provides a range of lifting services including:

- ▲ Managed Lifting Solutions.
- ▲ Contractual Maintenance Arrangements.
- ▲ Crane Integration for Commercial Constructions.
- ▲ Engineering Services and Maintenance.
- ▲ Equipment Hire.
- ▲ Logistics and Transport.

Sales by Segments



Revenue Mix %



Business profile

BOOM:

- ▲ Has operations in Vic, NSW, QLD, and WA.
- ▲ Headquartered in Melbourne.
- ▲ Employs 663 staff.
- ▲ 354 cranes ranging from 5 tonne to 400 tonne.
- ▲ Services the following sectors:
 - Maintenance
 - Non-residential
 - Engineering
 - Other dwellings

Competitive Strengths

- ▲ Ability to utilise its product range nationally.
- ▲ A large and flexible fleet to meet a wide range of lifting requirements for customers.
- ▲ A depth of industry experience and knowledge.
- ▲ A firm commitment to quality and systems assurance to deliver service excellence.
- ▲ Ability to provide innovative lifting solutions.
- ▲ Financial capacity to secure national contracts and to access organic and acquisitive growth opportunities.
- ▲ Focus on safety regulation, management and compliance.
- ▲ Proven business integration expertise.

Key Achievements for the year

September 2004

- ▲ \$19.5m institutional placement and \$1.5m Share Purchase Plan
- ▲ Implementation of a national accounting system

October 2004

- ▲ Acquisition of Bower's Heavy Haulage & Crane Services business

December 2004

- ▲ Boom doubles year on year first-half profit

March 2005

- ▲ Acquisition of Brambles Bowen Cranes, Bowen Basin, QLD

June 2005

- ▲ Acquisition of:
 - Cameron Cranes Pty Ltd, Newcastle, NSW
 - Carrington Steel Pty Ltd, Newcastle, NSW
 - Brambles Port Hedland Cranes, WA
- ▲ Announcement of profit upgrade
- ▲ 24% EPS increase from June 2004
- ▲ 80% increase in market capitalization since 30 June 2004
- ▲ Underlying 10% organic growth
- ▲ 51% improvement in LTIFR
- ▲ In relation to organisational statistics, the company has substantially grown by:

	June 04	June 05	% Change
Employees	398	663	67%
Cranes	263	354	35%
Depots	16	23	44%

- ▲ Successful negotiation for the purchase of Sherrin Hire
- ▲ \$67m share placement

Operational Review

Background

BOOM Logistics, through the execution of its strategic plan, aims to:

- ▲ Increase its presence as a leading national supplier of lifting solutions to Australian industry.
- ▲ Provide superior service to customers.
- ▲ Deliver attractive and sustainable returns to its shareholders.

The BOOM strategic plan focuses on:

- ▲ Safety and quality excellence.
- ▲ Building a national brand.
- ▲ Broadening our customer base and services.
- ▲ Enhancing our total lifting solution capabilities.
- ▲ Increasing geographic and market diversity.
- ▲ Increasing contracted revenue streams.
- ▲ Pursuing disciplined growth opportunities.

Our People

This financial year Boom Logistics has successfully integrated five businesses, bringing together an experienced and highly skilled workforce of 663 personnel including:

- ▲ Operators
- ▲ Riggers and Dogmen
- ▲ Fitters and Fabricators
- ▲ Supervisors and Management

During the financial year we have continued to work towards the establishment of a single identity. This work has been supported by our re-branding and internal communication programs, and the deployment of our company charter to all employees.

We have enhanced our management capability through business acquisitions and external recruitment to attain requisite skills to deliver our long term growth objectives.

Occupational Health, Safety, Environment & Quality

Our objective is to strive for excellence in managing OHSE&Q risk to achieve a zero injury rate.

We are committed to the health and safety of our employees, contractors and clients.

This year we achieved a 51% reduction in our Lost Time Injury Frequency Rate through the following initiatives:

- ▲ Establishment of a national network of in-house safety professionals to support line management in identifying and implementing safety management systems;
- ▲ Development of an integrated management system incorporating OH&S, environment, government, quality and risk management processes and policies;
- ▲ Ongoing upgrading of our fleet; and
- ▲ Further implementation of the industry Crane Safe Program that incorporates an external and independent audit of our cranes.

We aim to be the industry leader in safety management.

Customer Service

Boom Logistics' focus on customer service is paramount and the quality of this service is supported by our ability to provide total lifting solutions to our customers.

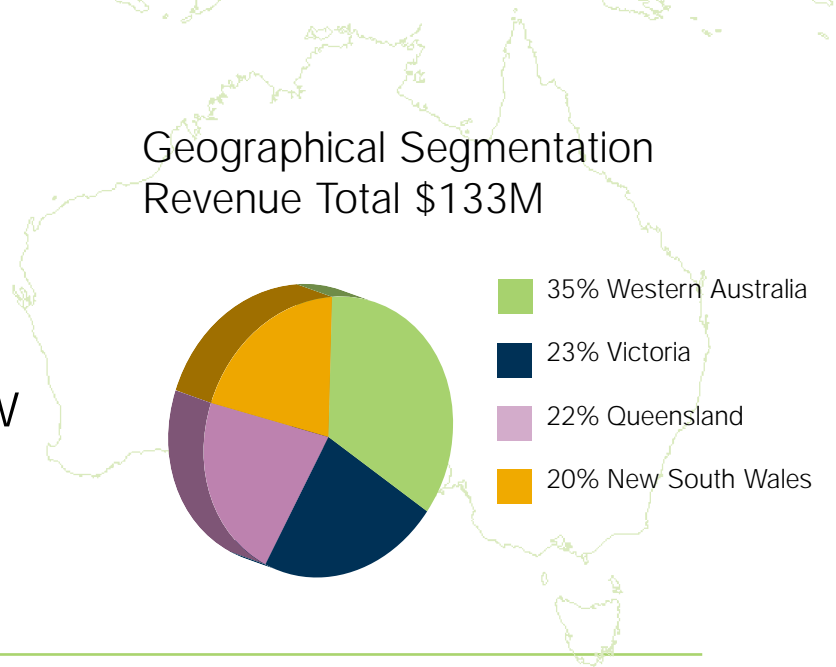
Our organisation is focused on the development of technically superior, safe and innovative solutions for our customers, and the enhancement of our service and value proposition through the provision of ancillary services and access to our national capability.

We have continued to invest in our fleet with the addition of 91 cranes during the past year, bringing our total national fleet capacity to 354 cranes ranging from 5 tonne to 400 tonne capacity.

We have also implemented a single national accounting system to enhance our financial reporting and analysis capability, and improve our customer administration and monitoring.

Operational Review

Geographical Segmentation Revenue Total \$133M



Divisional Overview

Headquartered in Melbourne, Boom Logistics has major operations in Western Australia, Victoria, New South Wales and Queensland led by General Managers for each state.

Western Australia

The strong Western Australian economy over this financial year supported a high level of crane activity, particularly within the resources and manufacturing sectors. We expect that this will continue into the next financial year. We are well placed to benefit from this ongoing activity with depots in Bunbury, Geraldton, Kwinana, Metro Perth, Kalgoorlie and Port Hedland.

The acquisition of Brambles Port Hedland Cranes in June 2005 has enabled us to further enhance our presence in Port Hedland and the burgeoning northern west region.

Victoria

Our Tower Crane division headquartered in Melbourne, primarily services local construction industry with the capability to service interstate markets. We also have a Mobile Crane division with depots in Melbourne and the Latrobe Valley.

Throughout the year we have benefited from the strong demand in the high rise commercial construction, power generation, petrochemical and manufacturing sectors. We expect that demand will continue at similar levels into next year.

New South Wales

The New South Wales operations were further enhanced by the acquisition of Bowers Heavy Haulage & Crane Services in the Hunter Valley and two Newcastle based businesses, Carrington Steel and Cameron Cranes.

We now have depots at Port Kembla, Singleton, Muswellbrook, Mt Thornley and Newcastle focused on servicing resource and industrial based customers. Demand throughout the year was strong and we expect this to continue into next year.

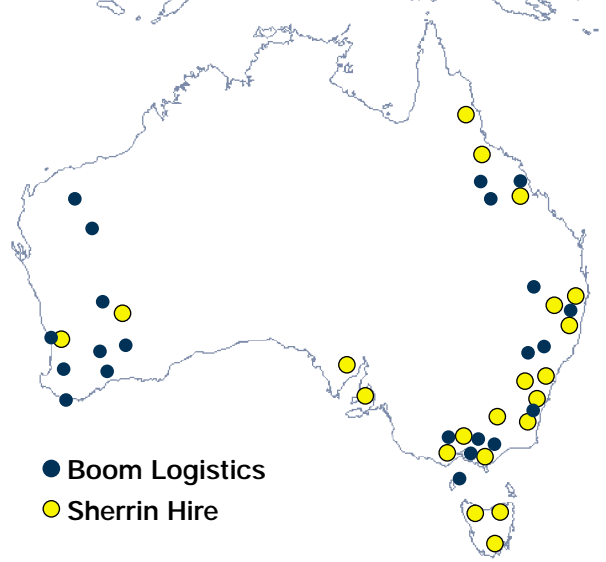
Queensland

Our Queensland operations were further enhanced by the acquisition of Brambles Bowen Basin Crane Hire. Boom now has depots in Hendra, Beenleigh, Toowoomba, Moorabah, Blackwater and Mackay.

The strong Queensland economy supported a strong result for the year and this is expected to continue into the next financial year.



Boom Logistics acquires Sherrin Hire



Boom Logistics extended its reach and service offer with the acquisition of Sherrin Hire Pty Ltd on 8 August 2005.

It was acquired for:

- ▲ Total enterprise value of \$130m
- ▲ Consisting of:
 - assumed debt of \$70m
 - purchase consideration \$60m

Sherrin Hire is a total access equipment hire company that commenced operation in 1968 in Whyalla, South Australia.

Today Sherrin Hire is known as the leader in the provision of travel towers/ access equipment rental in Australia. It services a wide number of industry sectors including:

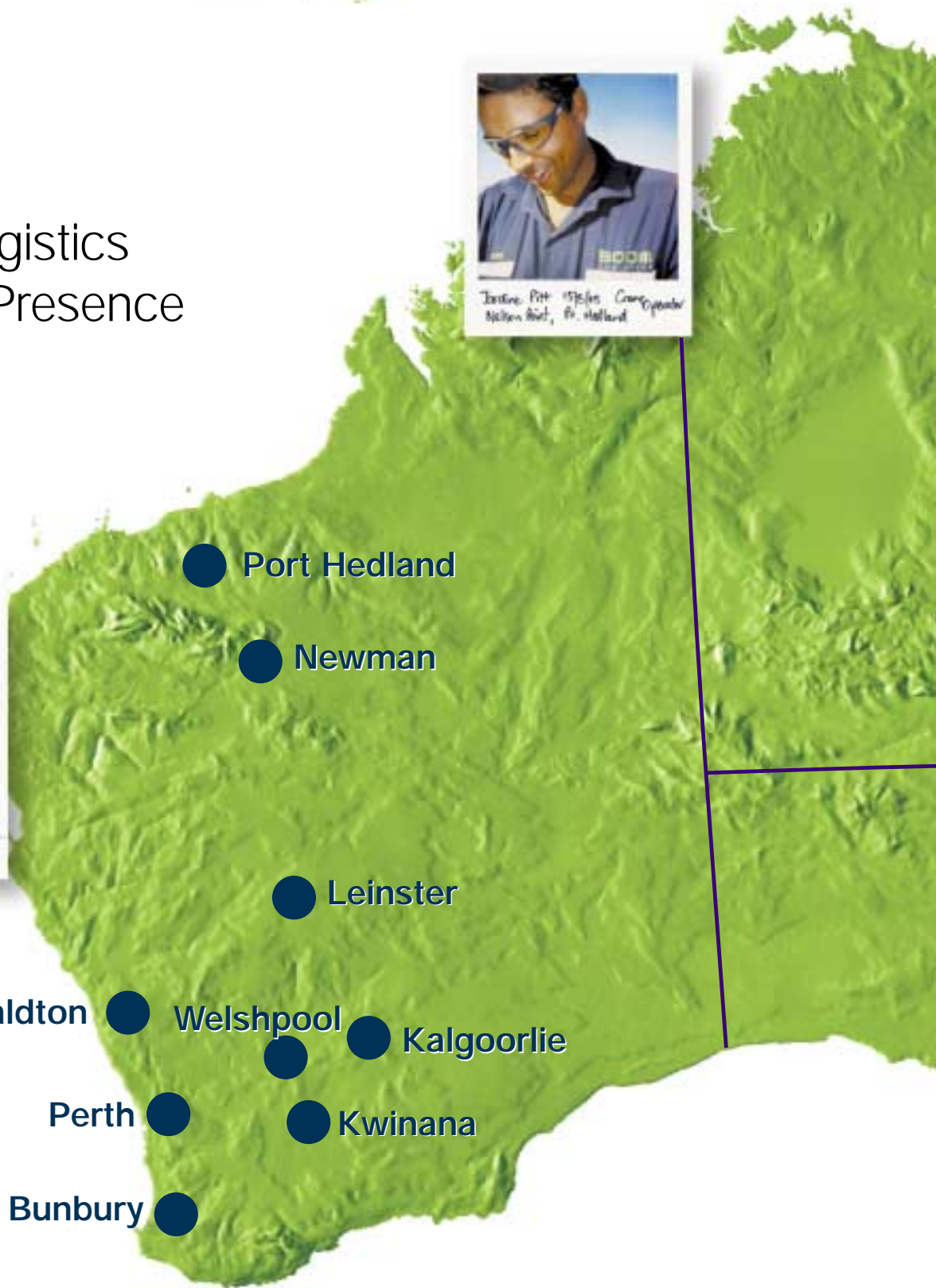
- ▲ Power authorities
- ▲ Public works
- ▲ Water board
- ▲ Rail authorities
- ▲ Telecommunications
- ▲ Mining
- ▲ Construction
- ▲ Manufacturing

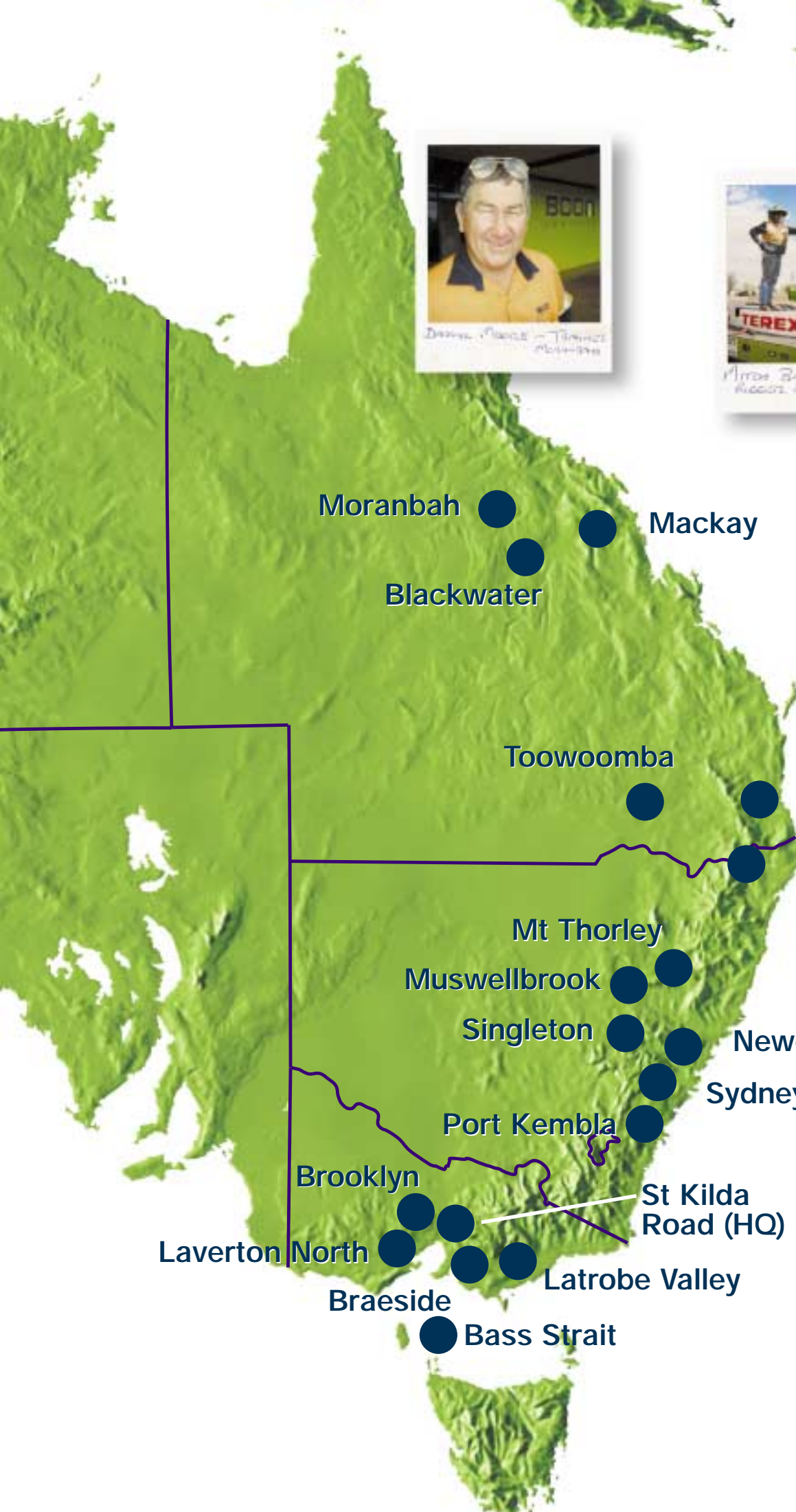
Sherrin Hire employs over 350 specialist staff and operates a fleet of over 2,000 pieces of equipment with 24 depots nationally. Sherrin Hire proforma sales for FY05 approximate \$67.6m.

The addition of Sherrin Hire to Boom Logistics is seen as a natural extension of our lifting solutions offer and provides the opportunity to expand our services across existing customers and into new markets.



Boom Logistics National Presence





Corporate Governance

Board of Directors



R John Robinson* (61),
BSc, MG Sc, F Aus IMM

Non-Executive Chairman
APPOINTED 15 NOVEMBER 2002

Mr Robinson was formerly Managing Director and CEO of Ashton Mining Limited. He is currently a Non-Executive Director of Perseverance Corporation Limited and PSI Limited.

He is also Chairman of Prince Henry's Institute of Medical Research and Monash Health Research Precinct Limited.

During the past three years, he has held the following listed company directorships:

- ▲ Perseverance Corporation Limited



Roderick Glynn Harmon (47),
B.App.Sc

Chief Executive Officer/Director
APPOINTED 29 APRIL 2002

Mr Harmon was with BHP Billiton Limited for eleven years in various executive positions within BHP's Steel, Collieries, Transport and Logistics businesses as well as holding various directorships.



Dr Huw G Davies* (64),
BSc (Hons), PhD (Geology)

Non-Executive Director
APPOINTED 15 NOVEMBER 2002

Dr Davies was a Group Chief Executive and Director of BTR Nylex until his retirement in 1994 and was responsible for the polymer, textile, resources and commercial activities of the organisation.

Since that time he has been extensively involved in the electricity and gas industries and has undertaken distribution/trading project assignments in Asia. He has been a director of a number of listed public and private companies. He currently is the Administrator of the SECV and Chair of its Executive Committee, and a Director of Snowy Hydro Trading Ltd.

During the past three years, he has held the following listed company directorships:

- ▲ Gale Pacific Ltd



Terrence Francis* (59),
B.E (Civil), MBA, FIE Aust,
FAICD, MSME

Non-Executive Director
APPOINTED 13 JANUARY 2005

Mr Francis was formally Chief Executive Officer of Bank of America in Australia. He is currently a Director of Nylex Limited, Emergency Services Telecommunications Authority, Southern and Eastern Integrated Transport Authority and Council member of RMIT University.

Mr Francis has extensive corporate finance expertise and experience in mining and infrastructure development and finance.

During the past three years, he has held the following listed company directorships:

- ▲ Nylex Ltd



Jane Harvey* (50),
B.Com, MBA, FCA, FAICD

Non-Executive Director
APPOINTED 12 JULY 2005

Ms Harvey is a former Partner of PricewaterhouseCoopers.

She is currently a non-executive director of a number of organisations including the Royal Flying Doctor Service (Vic) which she chairs, Bayside Health Services and Rural Finance Corporation, at both of which she holds the position of Deputy Chair, and the Telecommunications Industry Ombudsman.

Ms Harvey has extensive finance, strategic development and corporate governance experience.



Douglas Edwin Williams (63)

Non-Executive Director
APPOINTED 12 FEBRUARY 2002

Mr Williams was Managing Director of Sutville, one of the founding entities of Boom Logistics.

Prior to acquisition by Boom Logistics, Sutville achieved steady growth in the hire/sale of tower cranes to the building and civil engineering sectors and enjoyed a pre-eminent status in the crane industry.



Terrance Alexander (Jack) Hebiton (54)

Non-Executive Director
APPOINTED 22 DECEMBER 2000

Mr Hebiton commenced his commercial career in the rural sector.

In 1989, he acquired various business interests associated with land and property rental developments.

In the late 1990s, Mr Hebiton was Managing Director of Hazdon Holdings Pty Ltd.

He is currently a director of a number of private companies, and was a principal of Alpha Crane Hire one of the founding entities of Boom Logistics.

* Mr Robinson, Dr Davies, Mr Francis and Ms Harvey are independent Directors as detailed in Box 2.1 of the March 2003 ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations."

Senior Management

Rod Harmon
Chief Executive Officer

Mark Lawrence
Chief Financial Officer &
Company Secretary

Frank Legena
National Manager Quality,
Safety & Risk

Drew Baker
General Manager Tower Cranes

Brian Praetz
General Manager WA

Brenton Salleh
General Manager VIC

Alex Pagonis
General Manager QLD

Mark Apthorpe
General Manager NSW

Michael Sherrin
Executive Manager Sherrin Hire

Corporate Governance

The Board adopts the ASX Principles of Good Corporate Governance and Best Practice Recommendations (introduced on 23 March 2003). Corporate practices applied by the company are set out below:

Board of Directors

Responsibilities

The Company's Board of Directors is responsible for protecting the rights and serving the interests of all shareholders of the Company through a process of policy setting and performance monitoring. The Board's responsibilities are set out in a Board Charter and include the following:

- ▲ Guiding and approving strategic direction and business planning for the Company.
- ▲ Monitoring business performance against benchmarks agreed with management.
- ▲ Overseeing the processes for ensuring the effectiveness of internal controls and monitoring the processes for identifying, assessing, and managing business risk.
- ▲ Appointing, removing and monitoring the performance of the Chief Executive.
- ▲ Approving and monitoring major capital expenditure, capital management and business development opportunities.
- ▲ Ensuring that the Company complies with its responsibilities under the Corporations Act, ASX Listing Rules, the Company's Constitution and all other relevant laws and regulations.
- ▲ Setting and reviewing Chief Executive Officer Limits of Authority to assist in defining the interface between Board and Management.

Some of these functions are referred to Board committees with recommendations made back to the full Board of Directors.

Delegation

The Board delegates responsibility for implementing the strategic direction and for managing the day-to-day operations of the consolidated entity to the Chief Executive Officer. There are clear lines of communication established between the Chairman and Chief Executive Officer to ensure that the responsibilities and accountabilities of each are clearly understood.

The Board manages delegation to senior management by setting specific limits of authority for management to commit to new expenditure and capital management.

Board Composition

The Board currently has seven Directors comprising the Managing Director and, six Non-executive Directors; four of these are independent (including the Chairman).

Since last year we have added another independent director to ensure a majority of independent directors and ensure our compliance with ASX Corporate Governance Best Practice guidelines.

The composition of the Board is determined in accordance with the following general principles:

- ▲ The Board shall comprise at least three but not more than nine directors.
- ▲ The Board shall comprise directors with a broad mix of business expertise and experience.
- ▲ The Chairman is an independent Non-executive Director.
- ▲ The majority of Directors are non-executive and there shall be a majority of Independent Directors (refer above).
- ▲ Directors are considered independent subject to meeting the definition as set out in Box 2.1 of Principle 2 in the ASX Corporate Governance Council "Principles of Good Corporate Governance and Best Practice Recommendations" dated March 2003.
- ▲ The Board composition, its performance and the appointment of new Directors is reviewed periodically by the Board, taking advice from the Nomination & Remuneration Committee and external advisors as appropriate. It should be noted that a formal review of Board performance was conducted during the year.

The Company's Constitution stipulates that at each Annual General Meeting of the Company 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding 1/3, retire from office but no Director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than 1/3 of the Directors retiring from office.

In compliance with the Constitution, Mr Williams retired by rotation, and being eligible, will stand for re-election at the Annual General Meeting.

As Mr Francis and Ms Harvey were also appointed to the Board during the year, they only hold office until the end of this Annual General Meeting. Each will stand for election at that time.

Corporate Governance

In accordance with the ASX Corporate Governance guidelines and the Company's commitment to best practice Corporate Governance:

- ▲ The Board operates under a Code of Conduct which follows the Principles as set out by the Australian Institute of Company Directors.
- ▲ There is a Charter for the Board that defines its responsibilities.
- ▲ There is a regular assessment of the independence of each Director.
- ▲ Potential conflicts of interest by Directors will be reported to the Board and if necessary, interested Directors will be excluded from discussion of the relevant matter and will not vote on that matter.
- ▲ Directors provide the Company with details of their shareholdings in the Company and any changes.
- ▲ Directors comply with the Company's policies for Continuous Disclosure, Share Trading and its Code of Conduct.
- ▲ Directors have access, where necessary and at the cost of the Company, to independent, external and professional advice.
- ▲ Directors have ready access to the Company's senior executives for direct information on the Company's affairs.
- ▲ Directors have the benefit of Directors and Officers Insurance.
- ▲ Directors have the benefit of an indemnity from the Company to the extent permitted by the Corporations Act as well as access to the Company's Board papers on terms agreed between the Company and the Board.
- ▲ The Board sets the membership and terms of reference for each Board Committee.
- ▲ Board Committees make recommendations to the Board, they are not delegated responsibility except as specifically authorised by the Board.

Corporate Governance

Directors' Shareholdings in the company

There is no obligation under the Constitution for Directors to hold shares in the Company, although all presently do. Details of Directors' shareholdings are shown in the Directors' Report on page 21 to 31.

Directors and senior management of the Company are restricted to buying or selling shares in the Company in the one-month period immediately following the announcement of annual and half-yearly results and/or the announcement of a material event, in accord with the Company's Securities Trading Policy. Under the Policy, directors are required to notify the Chairman before any trading takes place.

In accordance with the law, Directors are prohibited from buying or selling shares in the Company at any time when they are in possession of market sensitive information.

Board Committees

The Board has established three committees to assist in managing its responsibilities. These are an Audit & Compliance Committee, a Nomination & Remuneration Committee and an Occupational Health Safety, Environment & Quality Committee.

These committees do not in anyway diminish the overall responsibility of the Board for these functions.

Audit & Compliance Committee

The committee comprises three Non-executive Directors. The external audit partner of PKF Chartered Accountants, internal audit partner of RSM Bird Cameron, Chief Executive Officer and the Chief Financial Officer attend these meetings by invitation.

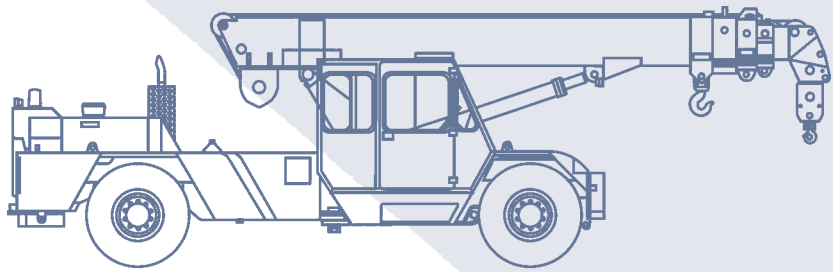
The current members are:

- ▲ Ms Jane Harvey - Chairman
- ▲ Dr Huw Davies
- ▲ Mr Terrence Francis

The responsibilities of the Audit and Compliance Committee are contained within its Charter and include:

- ▲ Assessment and monitoring of internal control adequacy.
- ▲ Monitoring the activities and effectiveness of the internal audit function.
- ▲ Overseeing and monitoring integrity of financial reporting.
- ▲ Review draft annual and half-yearly financial statements with management and external auditors and make recommendations to the full Board.
- ▲ Review and monitor the Company's compliance with law and ASX Listing Rules.
- ▲ Review performance against the Company's Code of Conduct.
- ▲ Report regularly to the Board on its activities and findings.
- ▲ Other responsibilities as required by the Board or considered appropriate.

During the year, RSM Bird Cameron were appointed as the Company's internal auditors and undertook internal control reviews within the business.



Nomination and Remuneration Committee

The committee comprises three Non-executive Directors. The current members are:

- ▲ Mr John Robinson - Chairman
- ▲ Dr Huw Davies
- ▲ Ms Jane Harvey

The responsibilities of the Nomination and Remuneration Committee include:

- ▲ Assessment of the necessary competencies of Board members.
- ▲ Establishment and review of Board succession plans.
- ▲ Evaluation of the Board's performance.
- ▲ Consideration and recommendation to the full Board of the appointment and removal of Directors.
- ▲ Review and recommend the remuneration of Non-executive Directors, the Chief Executive Officer and direct reports.
- ▲ Review and recommend remuneration policies applicable to Directors, senior executives and Company employees generally.
- ▲ The committee has particular responsibility for the annual review and consideration of the Chief Executive Officer's remuneration structure.
- ▲ Review and recommend general remuneration principles, including incentive schemes, bonuses, and share plans that reward individual and team performance.

In discharging its responsibilities, the committee draws on advice from external consultants.

Occupational Health, Safety, Environment and Quality Committee

The committee comprises three Non-executive Directors. The Chief Executive Officer, the Chief Financial Officer and the National Manager Quality, Safety & Risk attend these meetings by invitation.

The current members are:

- ▲ Mr John Robinson - Chairman
- ▲ Mr Jack Hebiton
- ▲ Mr Doug Williams
- ▲ Mr Terrence Francis

Under its Charter, the OHSE&Q Committee's responsibilities include:

- ▲ Ensuring comprehensive safety strategies are put in place to eliminate injuries.
- ▲ Reviewing the Company's OHSE&Q performance and ensuring that appropriate action is taken to remedy any shortcomings.
- ▲ Ensuring that systems and procedures for compliance with policy and legislation are in place and routinely monitor them.
- ▲ Reviewing high-level risks and plans to mitigate these risks.
- ▲ Reviewing incident trends across the Company and associated action plans and ensure appropriate action if not satisfied.
- ▲ Undertaking detailed reviews of supporting documentation and draft OHSE&Q proposals prior to seeking Board approval.
- ▲ Benchmarking the Company's performance against industry counterparts and leading organisations.

Corporate Governance

Environmental Regulation

The operations of the Company are subject to various environmental regulations under both Commonwealth and State legislation.

In making this report, the Directors note that the Company's operations involve the discharge and storage of potentially hazardous materials such as fuels, oils and paints. Some of these activities require a licence, consent or approval from Commonwealth or State regulatory bodies. This regulation of the consolidated entity's activities is typically of a general nature, applying to all persons carrying out such activities, and does not in the Directors' view comprise particular and significant environmental regulation.

Based upon enquiries within the Company, the Directors are not aware of any breaches of particular and significant environmental regulation affecting the Company's operations.

The Directors believe the environmental performance of the Company is sound and that the Company has appropriate systems in place for the management of its ongoing corporate environmental responsibilities.

Code of Conduct and Company Policies

Under the Code of Conduct:

- ▲ The Company will act with fairness, integrity and good faith in its dealings with its employees, customers, subcontractors, shareholders and other stakeholders.

- ▲ The Company will strive for/or drive towards best practice in its internal business controls, financial administration and accounting policies.
- ▲ The Company has in place policies to ensure it meets continuous disclosure requirements of the ASX.
- ▲ Directors and employees are bound by strict rules in the trading of company shares.
- ▲ The Company is committed to continuous improvement of workplace safety with the ultimate objective of no injuries to anyone, anytime.
- ▲ The Company will continually develop its client relationships to provide outstanding service.
- ▲ The Company has, and will keep in place, employment practices and policies that accord with best practice including those in respect of occupational, health and safety, anti-discrimination and conflict of interest.
- ▲ The Company recognises its place in the community and has in place policies and practices to protect the environment and to support selected community activities and projects in the areas in which it operates.
- ▲ The Company will be transparent in its reporting, including in respect of Board and executive remuneration.
- ▲ The Company recognises its obligations to individuals' rights to privacy in respect of confidential information.
- ▲ The Company is committed to compliance with the law in all its operations.
- ▲ The Company will enforce and monitor compliance with the Code of Conduct through employment contracts, internal communication and education as well as by periodic internal audit.

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 senior finance roles. 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' Report

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 & 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 Company 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.

Directors' Report

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:

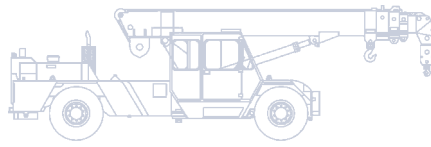
- ▲ Evaluating performance of the CEO against annual targets set by the Board;
- ▲ Reviewing remuneration packages for the CEO and senior management;
- ▲ Succession planning among the senior management group;
- ▲ Seeking out and recommending new appointees to the Board; and
- ▲ Reviewing Directors' fees 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.

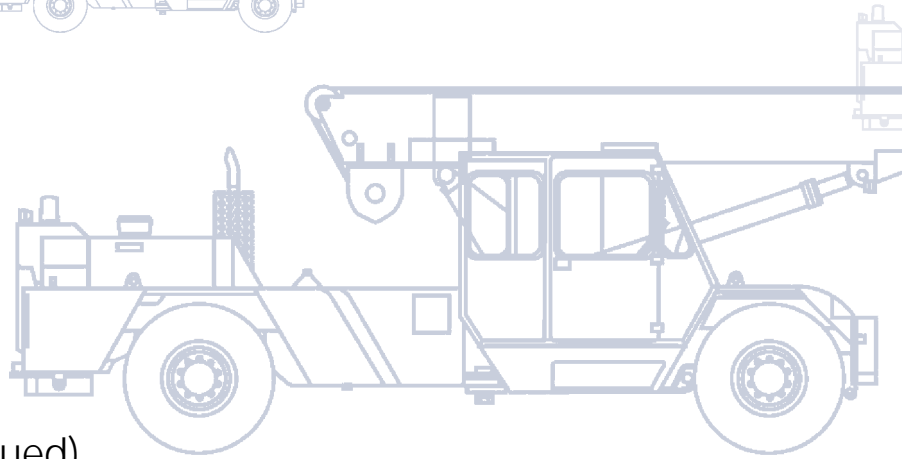
Executive remuneration policy

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;
- ▲ 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.



Directors' Report



Remuneration Report (continued)

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

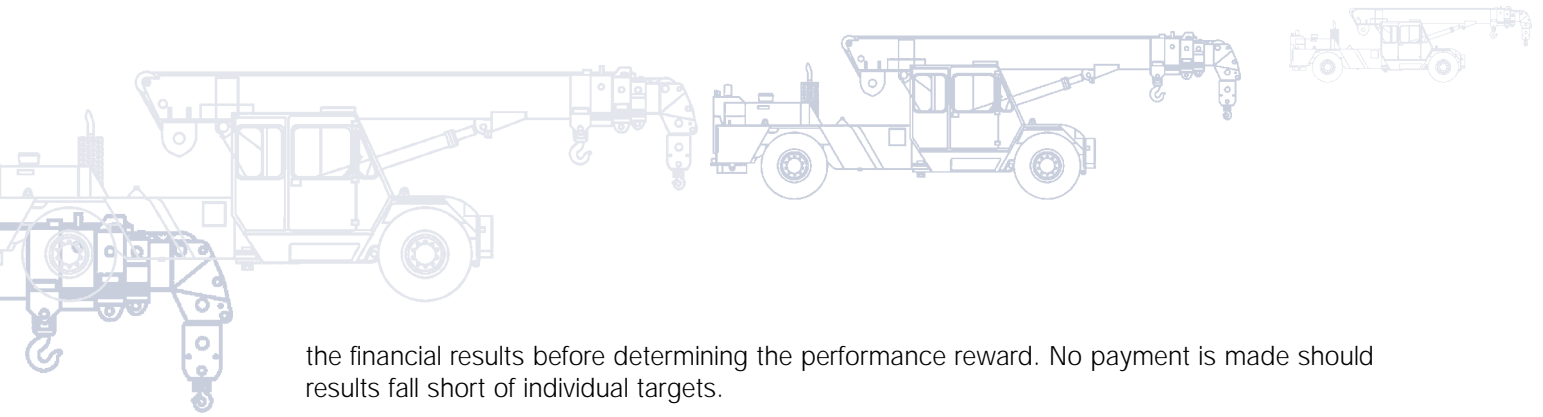
This element of reward comprises a short term and long term component, with both determined by factors related to shareholder returns. The proportion of these "at risk" payments in the total remuneration structure is guided by market survey data provided by independent consultants. In this regard Boom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

(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.

Directors' Report

Remuneration Report (continued)

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 weeks 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 seven weeks pay. He is subject to a restrictive covenant during his employment and for one 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 in the LTIP section of this report.

The remuneration details of Mr Harmon and specified senior executives are detailed in Tables 1 & 3 on page 29.

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 shareholders at the 2004 Annual General Meeting.

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

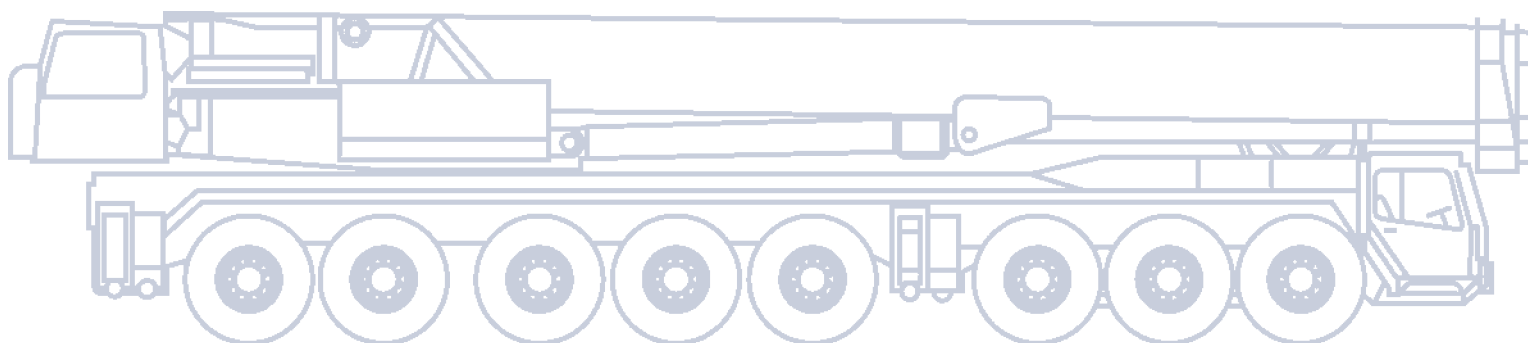


Table 1: Director remuneration for the year ended 30 June 2005

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 five named executives who receive the highest remuneration for the year ended 30 June 2005

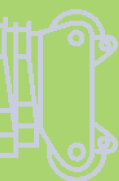
Name	Base Salary	Bonus	Non Monetary benefits	Super	Retirement benefits	Equity	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$
M. Lawrence*	204,520	-	2,109	23,868	-	138,479	-	368,976
D. Baker	170,486	45,638	799	19,608	-	91,710	-	328,241
B. Praetz	171,651	38,779	-	20,280	-	92,550	-	323,260
F. Legena	150,428	25,416	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.



Directors' Report

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 67 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



Annual Financial Statements for the year ended 30 June 2005

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Statement of Financial Performance Year Ended 30 June 2005

		CONSOLIDATED		PARENT	
	Note	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'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 raising 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.

Statement of Financial Position At 30 June 2005

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

Statement of Cash Flows Year Ended 30 June 2005

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

Notes to the Financial Statements for the Year Ended 30 June 2005

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.

Notes to the Financial Statements for the Year Ended 30 June 2005

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 a 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.

Notes to the Financial Statements for the Year Ended 30 June 2005

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.

Notes to the Financial Statements for the Year Ended 30 June 2005

	CONSOLIDATED		PARENT	
Note	2005 \$'000	2004 \$'000	2005 \$'000	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)				
(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:				
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
<i>Deferred tax assets and liabilities</i>				
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

Notes to the Financial Statements for the Year Ended 30 June 2005

	CONSOLIDATED		PARENT		
	Note	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
4. Income Tax (continued)					
<i>Tax consolidation</i>					
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					
<i>Current year interim</i>					
Fully franked dividends (3.0 cents per share) (2004: 1.2 cents per share)		3,331	1,108	3,331	1,108
<i>Previous year final</i>					
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					
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:					
- 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)					
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

Notes to the Financial Statements for the Year Ended 30 June 2005

	Note	CONSOLIDATED		PARENT	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
7. Inventories (Current)					
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					
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)					
Amounts from wholly owned controlled entities		-	-	4,314	-
Total non current receivables		-	-	4,314	-
10. Other Financial Assets (Non Current)					
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 \$'000	2004 \$'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.
*Investment is held by Holt Industries Pty Ltd.

12. Property, Plant and Equipment

<i>Leasehold improvements</i>					
At cost		242	134	197	134
Accumulated depreciation		(32)	(10)	(28)	(10)
		210	124	169	124
<i>Plant and equipment</i>					
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

Notes to the Financial Statements for the Year Ended 30 June 2005

		CONSOLIDATED		PARENT	
	Note	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
12. Property, Plant and Equipment (continued)					
<i>Plant and equipment under lease</i>					
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
<i>Total property, plant and equipment</i>					
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:

<i>Leasehold improvements</i>					
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	
<i>Plant and equipment</i>					
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	

Notes to the Financial Statements for the Year Ended 30 June 2005

	Note	CONSOLIDATED		PARENT	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
12. Property, Plant and Equipment (continued)					
(b) Reconciliations (continued)					
<i>Plant and equipment under lease</i>					
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

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)

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

Notes to the Financial Statements for the Year Ended 30 June 2005

		CONSOLIDATED		PARENT	
	Note	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
15. Interest Bearing Liabilities					
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	5(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)

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

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
		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.

Notes to the Financial Statements for the Year Ended 30 June 2005

		CONSOLIDATED		PARENT	
	Note	2005 \$'000	2004 \$'000	2005 \$'000	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		2004	
		No. of shares	\$'000	No. of shares	\$'000
Beginning of the financial year		92,345,215	41,576	43,735,706	8,894
Issued during the year:					
- employee share incentive scheme	(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 Note 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.

Notes to the Financial Statements for the Year Ended 30 June 2005

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

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

Net profit after tax	15,439	9,405	12,814	7,911
<i>Non cash items</i>				
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
<i>Changes in assets and liabilities</i>				
(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

Notes to the Financial Statements for the Year Ended 30 June 2005

	Note	CONSOLIDATED		PARENT	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
22. Statement of Cash Flows (continued)					
(b) Reconciliation of cash					
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:					
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					
<i>Finance Lease Transactions</i>					
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.					
<i>Shares Issued For Business Acquisitions</i>					
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:					
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

Notes to the Financial Statements for the Year Ended 30 June 2005

22. Statement of Cash Flows (continued)

(f) Acquisition of controlled entities and businesses

The following businesses were acquired during the 2005 reporting period:

	2005					
	<i>Entity: Singleton Transport & Industrial Service Company P/L</i> Date of Acquisition: 20 October 04 Type of Acquisition: asset purchase	<i>Entity: Brambles Bowen Basin (QLD)</i> Date of Acquisition: 1 March 05 Type of Acquisition: asset purchase	<i>Entity: Carrington Steel P/L</i> Date of Acquisition: 10 June 05 Type of Acquisition: asset purchase	<i>Entity: Cameron Cranes P/L</i> Date of Acquisition: 10 June 05 Type of Acquisition: asset purchase	<i>Entity: Brambles Port Hedland (WA)</i> Date of Acquisition: 30 June 05 Type of Acquisition: asset purchase	<i>Total Acquisitions</i> Year Ended 30 June 05
	\$'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)

(f) Acquisition of controlled entities and businesses

The following businesses were acquired during the 2004 reporting period:

	2004						
	<i>Entity: Connor Cranes</i> Date of Acquisition: 7 October 03 Type of Acquisition: asset purchase	<i>Entity: Heavy Lift Cranes Australia P/L</i> Date of Acquisition: 7 October 03 Type of Acquisition: share purchase	<i>Entity: Purcell</i> Date of Acquisition: 7 October 03 Type of Acquisition: share purchase	<i>Entity: Holt Industries P/L</i> Date of Acquisition: 7 October 03 Type of Acquisition: asset purchase	<i>Entity: Brambles (NSW)</i> Date of Acquisition: 7 October 03 Type of Acquisition: share purchase	<i>Entity: Brambles (WA)</i> Date of Acquisition: 9 October 03 Type of Acquisition: asset purchase	<i>Total Acquisitions</i> Year Ended 30 June 04
	\$'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

Notes to the Financial Statements for the Year Ended 30 June 2005

		CONSOLIDATED		PARENT	
	Note	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
23. Expenditure Commitments					
(a) Operating leases (non cancellable)					
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.

- 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

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.

Notes to the Financial Statements for the Year Ended 30 June 2005

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

Net profit	15,439	9,405		
	No. of shares	No. of shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	105,634,498	78,756,314		
<i>Effect of dilutive securities:</i>				
- 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

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

(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.

Notes to the Financial Statements for the Year Ended 30 June 2005

29. Director and Executive Disclosures (continued)

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

	Salary & Fees	Primary Cash Bonus	Non Monetary benefits	Post Employment Super-annuation	Retirement benefits	Equity*	Other	Total
Specified directors								
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.

Notes to the Financial Statements for the Year Ended 30 June 2005

29. Director and Executive Disclosures (continued)

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

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

Notes to the Financial Statements for the Year Ended 30 June 2005

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 Remuneration	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 \$'000	2004 \$'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.

Notes to the Financial Statements for the Year Ended 30 June 2005

32. Financial Instruments

(a) Interest rate risk	Floating interest rate	Fixed interest rate maturing in:			Non interest bearing	Carrying amount per statement of financial position	Weighted average effective interest rate %
		< 1 year	1-5 years	> 5 years			
(i) 2005 (\$'000s)							
<i>Financial assets</i>							
- 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	
<i>Financial liabilities</i>							
- 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)							
<i>Financial assets</i>							
- 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	
<i>Financial liabilities</i>							
- 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

	Note	CONSOLIDATED		PARENT	
		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
<i>Adjustments to retained earnings (net of tax)</i>					
Write back of goodwill amortisation	(i)	362	-	-	-
Recognition of share based payment expense	(ii)	(71)	-	(59)	-
<i>Adjustments to contributed equity</i>					
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.
- (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.

Notes to the Financial Statements for the Year Ended 30 June 2005

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

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

(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

		CONSOLIDATED	PARENT
Year ended 30 June 2005	Note	\$'000	\$'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
Managing Director



John Robinson
Chairman

Melbourne, 11 August 2005

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

A Member Firm of PKF International



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& Business Advisers

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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

A handwritten signature in black ink, appearing to read 'Ian P. Olson', written over a horizontal line.

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.



Scott Jorler 15/6/15
Crane Operator Nelson Pt Port Hedland



Adrian Beattie 15/6/15
Truck Driver Nelson Pt Port Hedland



Mick Nicholls - Crane Driver
10-3-05 12am



CYRIL OLIVER - MAINT. MGR
12/12/14



LOT FRONT "BITE"
in action at Nelson Point
Port Hedland



Wayne Woodhouse - Crane Driver
10-3-05 10am



Wayne O'Brien - Crane Driver
28-05 10:45am 1902



Brian Swales - Crane Driver
10-3-05 10am



Keith Curran - Crane Driver
10/12/14 12:00

The polaroid portraits in our annual report this year were photographed by our employees. Cameras were sent with requests to our various locations around Australia, asking for photographs of a day in the life of our greatest asset, our people.

