BOOM LOGISTICS LIMITED

ABN 28 095 466 961

Annual Financial Report
for the year ended 30 June 2006

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

Table of Contents

DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2006.

Directors

Rodney John Robinson 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 Chairman of Global Mining Investments Limited and a Non-Executive Director of Perseverance Corporation Limited and PSI Limited. He is also Chairman of Prince Henry’s Institute for Medical Research and Monash Health Research Precinct Limited. During the past three years, Mr. Robinson has not held any ASX listed public company directorships other than Global Mining Investments Limited (appointed 9 December 2005) and Perseverance Corporation Limited (appointed 12 February 2001).

Roderick Glynn Harmon B.App.Sc (Chief Executive Officer) (appointed 29 April 2002)

Mr. Harmon held various directorships and was an executive for BHP Billiton Limited for eleven years in various divisions including BHP's Steel, Collieries, Transport and Logistics businesses.

Terrance Alexander Hebiton (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.

Douglas Edwin Williams (Non executive Director) (resigned 31 March 2006)

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.

Dr. Huw Geraint Davies 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 is currently the Administrator of the SECV and Chair of its Executive Committee. During the past three years he also held a directorship with Gale Pacific Ltd.

Terrence Charles Francis B.E (Civil), MBA, FIE Aust, FAICD, MSME (Non executive Director) (appointed 13 January 2005)

Mr. Francis is currently Chairman of the Southern and Eastern Integrated Transport Authority, and a Non-Executive Director of Nylex Limited and the Emergency Services Telecommunications Authority. He is also a member of the Council of RMIT University. Mr. Francis has extensive experience in resources and infrastructure development, and in finance as Vice President of Continental Illinois Bank, Executive Director of Deutsche Bank Australia, and Chief Executive Officer of Bank of America in Australia. During the past three years, Mr. Francis has not held any ASX listed public company directorships other than Nylex Limited (appointed 30 October 2003).

DIRECTORS' REPORT (continued)

Directors (continued)

Jane Margaret Harvey B.Com, MBA, FCA, FAICD (Non executive Director) (appointed 12 July 2005)

Ms. Harvey is a former Partner of Pricewaterhouse Coopers. She is currently a non-executive director of a number of organisations including IOOF Holdings Limited, the Royal Flying Doctor Service (Vic) which she chairs, Bayside Health Services, Rural Finance Corporation, the Telecommunications Industry Ombudsman and the Legal Services Board. During the past three years, Ms. Harvey has not held any ASX listed public company directorships other than IOOF Holdings Limited (appointed 18 October 2005).

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

Mark Alan Lawrence B.Bus(Acc), C.A. (Finance Director) (appointed 1 July 2006)

Mr. Lawrence was previously employed by Bovis Lend Lease for a period of six years. He held a number of finance roles including Global Finance Manager. Mr. Lawrence, originally from Deloitte Touche Tohmatsu, has been a Chartered Accountant for over 15 years.

Company Secretary

Mr. Lawrence has been the Company Secretary of Boom Logistics Limited for over 3 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
R.J. Robinson	104,272
R.G. Harmon	1,683,353
T.A. Hebiton	132,452
H.G. Davies	85,316
T.C. Francis	24,272
J.M. Harvey	5,000
M.A. Lawrence	377,393

Directors Meetings

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

Name of director	***Board of directors***		***Audit & compliance committee***		***Nomination and remuneration committee***		***Occupational, health, safety, environment & quality committee***	
	Held	***Attended***	***Held***	***Attended***	***Held***	***Attended***	***Held***	***Attended***
R.J. Robinson	11	11	-	-	2	2	3	3
R.G. Harmon	11	11	-	-	-	-	-	-
T.A. Hebiton	11	9	-	-	-	-	3	2
D.E. Williams *****	11	8	-	-	-	-	3	2
H.G. Davies	11	11	4	4	2	2	-	-
T.C. Francis	11	10	4	4	-	-	3	1
J.M. Harvey **^**	10	9	4	4	2	2	-	-

***** *Attendance prior to resignation.*
^ *Attendance from the date of appointment.*

DIRECTORS' REPORT (continued)

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 30 of the financial statements.

Indemnification and Insurance of Directors and Officers

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

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

Nature of Operations and Principal Activities

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

Operating and Financial Review

The consolidated entity achieved both revenue and profit growth this financial year. Total revenue increased by 92% and profit after tax increased by 111% over the previous financial year. Revenue from continuing activities was $253,808,000 and profit after tax was $33,140,000.

Most 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, 2 businesses were acquired during the financial year and have been fully integrated into the company.

Significant Changes in the State of Affairs

Shareholder equity increased to $265,538,000 from $89,108,000, an increase of $176,430,000. The significant movement was largely due to increased profits from organic growth and issue of equity to fund working capital and the following acquisitions made during the financial year:

=> 1 national entity; and
=> 1 business in Central QLD.

Refer to note 23(a) in the financial statements for further acquisition details.

Significant Events After the Balance Date

Subsequent to 30 June 2006, the consolidated entity signed several commercial hire purchase agreements to acquire plant and equipment to the value of $7,020,040.

On 1 August 2006, Boom Logistics Limited acquired the business of the James Group for $60,000,000. The purchase price consideration includes an issue of $6,000,000 or 1,395,349 of ordinary shares at an issue price of $4.30 per share.

On 9 August 2006, the directors of Boom Logistics Limited declared a fully franked final dividend of 5.2 cents per share totalling $8,864,728 in respect of the 2006 financial year The dividend has not been provided for in the 30 June 2006 financial statements.

DIRECTORS' REPORT (continued)

Likely Developments and Expected Results

The directors foresee that the company will continue to benefit from further organic growth and acquisition initiatives during the 2006/07 financial year.

Directors are cognisant of the requirement to continuously disclose material matters to the market. At this time, there are no matters sufficiently advanced or at a level of certainty that would require disclosure.

Environmental Regulation and Performance

The Board confirms that the company has adequate systems and processes 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 have followed recommendations set by the ASX Corporate Governance Council. For further information on corporate governance policies adopted by Boom Logistics Limited, refer to our website: www.boomlogistics.com.au/corporate_governance

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 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 Group 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 (continued)

Remuneration Report (continued)

Executive remuneration components

There are two primary elements to the Group'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 Group targets the market median for each position, projected ahead to the mid 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 Group'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 Group'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 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 group safety performance, whereas General Managers are measured against their division's EBITDA (EBIT for 2006/07), company EPS and divisional safety performance, on a respective 40:40:20 ratio. Whilst, the National Manager for Quality, Safety and Risk's incentive payment is measured between group safety performance and company EPS on a 75:25 ratio.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Executive remuneration components (continued)

(b) Long term incentive plan

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

The annual value of the reward is converted into Boom Logistics shares at a price determined as the volume weighted average over the five business days preceding the grant date. The grant date is set two weeks after the release to ASX of the Group'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% (12% from 2006/07) 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.

Executive director remuneration

During the reporting period, Managing Director Rod Harmon was the only executive director on the Group's Board. He was appointed 29 April 2002 and joined the Board in the same month. Mr Harmon has an employment contract that has no fixed term. He is entitled to terminate his contract on eight week's notice and is entitled to nine weeks notice from the Group. 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 8 weeks pay. He is subject to a restrictive covenant during his employment and for 1 year after termination of such employment.

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

The remuneration details of Mr Harmon and senior executives are detailed on the following pages.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Board fees

Non-executive director fees are determined by reference to external survey data, taking account of the Group'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.

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 Managing Director who receive 15% and senior executive group who receive 12% in accordance with their employment contracts.

Compensation of non-executive directors and key management personnel

Details of non-executive directors and key management personnel remuneration for the year ended 30 June 2006 are as follows:

	Short Term				Post Employment		Long Term	Total	
	Salary & Fees	Cash Bonus	Non Monetary benefits	Other	Super-annuation [a]	Retirement benefits	Share based payment		Total performance related
Non-Executive Directors									
John Robinson									
2006	**45,000**	**-**	**-**	**-**	**53,100**	**-**	**-**	**98,100**	**-**
2005	80,000	-	-	-	7,200	-	-	87,200	-
Terrance Hebiton									
2006	**45,000**	**-**	**-**	**-**	**4,050**	**-**	**-**	**49,050**	**-**
2005	35,000	-	-	-	3,150	-	-	38,150	-
Douglas Williams									
2006	**33,750**	**-**	**-**	**-**	**3,038**	**-**	**-**	**36,788**	**-**
2005	35,000	-	-	-	3,150	-	-	38,150	-
Dr. Huw Davies									
2006	**45,000**	**-**	**-**	**-**	**4,050**	**-**	**-**	**49,050**	**-**
2005	35,000	-	-	-	3,150	-	-	38,150	-
Terrence Francis									
2006	**33,750**	**-**	**-**	**-**	**15,300**	**-**	**-**	**49,050**	**-**
2005	35,000	-	-	-	3,150	-	-	38,150	-
Jane Harvey									
2006	**45,000**	**-**	**-**	**-**	**4,050**	**-**	**-**	**49,050**	**-**
2005	-	-	-	-	-	-	-	-	-
Total Remuneration: Non-Executive Directors									
2006	**247,500**	**-**	**-**	**-**	**83,588**	**-**	**-**	**331,088**	
2005	220,000	-	-	-	19,800	-	-	239,800	

[a] *Superannuation includes both employer and employee contributions.*

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Compensation of non-executive directors and key management personnel (continued)

	Short Term				Post Employment		Long Term	Total	
	Base Salary	Cash Bonus [c]	Non Monetary benefits	Other [b]	Super-annuation [a]	Retirement benefits	Share based payment [d]		Total performance related
Executives									
Roderick Harmon (Managing Director)									
2006	**433,445**	**206,250**	**-**	**30,000**	**56,250**	**-**	**90,000**	**815,945**	**36.3%**
2005	367,873	74,250	1,306	-	39,000	-	81,250	563,679	27.6%
Mark Lawrence (Finance Director and Company Secretary)									
2006	**217,249**	**111,384**	**-**	**-**	**65,881**	**-**	**44,951**	**439,465**	**35.6%**
2005	204,520	31,500	2,109	67,200	23,868	-	39,779	368,976	19.3%
Brian Praetz (General Manager - Western Australian Division)									
2006	**181,843**	**54,925**	**-**	**12,000**	**21,395**	**-**	**26,871**	**297,034**	**27.5%**
2005	171,651	38,779	-	67,200	20,280	-	25,350	323,260	19.8%
Drew Baker (General Manager - Victorian Tower Crane Division. Currently on leave of absence until 28 February 2007.)									
2006	**126,492**	**118,955**	**8,800**	**-**	**16,749**	**-**	**25,673**	**296,669**	**48.8%**
2005	170,486	45,638	799	67,200	19,608	-	24,510	328,241	21.4%
Alex Pagonis (General Manager - Queensland Division)									
2006	**181,121**	**33,024**	**11,329**	**-**	**17,121**	**-**	**24,750**	**267,345**	**21.6%**
2005	149,546	-	330	-	12,393	-	20,640	182,909	11.3%
Steven Goulding (General Manager - Sherrin Hire Pty Ltd) [e]									
2006	**158,490**	**51,864**	**14,898**	**-**	**24,159**	**-**	**-**	**249,411**	**20.8%**
2005	-	-	-	-	-	-	-	-	-
Frank Legena (National Manager - Quality, Safety and Risk)									
2006	**130,162**	**43,771**	**19,350**	**-**	**32,489**	**-**	**21,861**	**247,633**	**26.5%**
2005	150,428	25,416	9,149	-	16,980	-	21,225	223,198	20.9%
Mark Apthorpe (General Manager - New South Wales Division)									
2006	**161,472**	**36,022**	**-**	**-**	**19,824**	**-**	**24,780**	**242,098**	**25.1%**
2005	115,474	-	-	-	12,600	-	21,000	149,074	14.1%
Brenton Salleh (General Manager - Victorian Division) [f]									
2006	**136,325**	**32,130**	**-**	**-**	**23,670**	**-**	**23,868**	**215,993**	**25.9%**
2005	154,449	12,600	-	-	18,360	-	22,950	208,359	17.1%
Total Remuneration: Executives									
2006	**1,726,599**	**688,325**	**54,377**	**42,000**	**277,538**	**-**	**282,754**	**3,071,593**	
2005	1,484,427	228,183	13,693	201,600	163,089	-	256,704	2,347,696	

[a] *Superannuation includes both employer and employee contributions.*

[b] *Other represents motor vehicle allowance. For 2005, Other represented share based payments under the Employee Share Plan that vested before 1 January 2005.*

[c] *Cash bonus is determined in accordance with the Short Term Incentive Plan outlined on page 5.*

[d] *Share based payment 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 $2.756 per share (2005: $1.69 per share). The share based payment vests over a rolling 3 year period from grant date. The portion relating to this reporting period was recognised in accordance with accounting policy note 2(s).*

[e] *Steven Goulding commenced employment with the Group on 8 August 2005 upon the acquisition of Sherrin Hire Pty Ltd.*

[f] *Brenton Salleh is also a director of Boom Logistics (VIC) Pty Ltd (previously known as Heavy Lift Cranes Australia Pty Ltd).*

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Shares granted as part of remuneration for the year ended 30 June 2006 (in accordance with the LTI plan)

Name		Grant date	Grant number	Vesting date	Value per share at grant date *	TSR benchmark	% of total remuneration
Rod Harmon	**2006**	**25 Aug 05**	**32,661**	**25 Aug 08**	**$2.756**	**> 9% avg over 3 yrs**	**11.0%**
	2005	30 Aug 04	48,077	30 Aug 07	$1.69	> 9% avg over 3 yrs	14.4%
Mark Lawrence	**2006**	**25 Aug 05**	**16,312**	**25 Aug 08**	**$2.756**	**> 9% avg over 3 yrs**	**10.2%**
	2005	30 Aug 04	23,538	30 Aug 07	$1.69	> 9% avg over 3 yrs	10.8%
Brian Praetz	**2006**	**25 Aug 05**	**9,752**	**25 Aug 08**	**$2.756**	**> 9% avg over 3 yrs**	**9.0%**
	2005	30 Aug 04	15,000	30 Aug 07	$1.69	> 9% avg over 3 yrs	7.8%
Drew Baker	**2006**	**25 Aug 05**	**9,317**	**25 Aug 08**	**$2.756**	**> 9% avg over 3 yrs**	**8.7%**
	2005	30 Aug 04	14,503	30 Aug 07	$1.69	> 9% avg over 3 yrs	7.5%
Alex Pagonis	**2006**	**25 Aug 05**	**8,982**	**25 Aug 08**	**$2.756**	**> 9% avg over 3 yrs**	**9.3%**
	2005	30 Aug 04	12,213	30 Aug 07	$1.69	> 9% avg over 3 yrs	11.3%
Frank Legena	**2006**	**25 Aug 05**	**7,933**	**25 Aug 08**	**$2.756**	**> 9% avg over 3 yrs**	**8.8%**
	2005	30 Aug 04	12,559	30 Aug 07	$1.69	> 9% avg over 3 yrs	9.5%
Mark Apthorpe	**2006**	**25 Aug 05**	**8,993**	**25 Aug 08**	**$2.756**	**> 9% avg over 3 yrs**	**10.2%**
	2005	30 Aug 04	12,426	30 Aug 07	$1.69	> 9% avg over 3 yrs	14.1%
Brenton Salleh	**2006**	**25 Aug 05**	**8,662**	**25 Aug 08**	**$2.756**	**> 9% avg over 3 yrs**	**11.1%**
	2005	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.*

Auditor's Independence Declaration to the Directors

Refer to page 10 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 compromised.

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

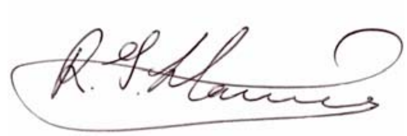
=> Tax compliance services $34,343

Rounding

The amounts contained in this report and in the financial report are presented in Australian dollars and 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.

John Robinson
Chairman



Roderick Harmon
Managing Director

Melbourne, 9 August 2006

Chartered Accountants
& Business Advisers

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 2006, 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

PKF
Chartered Accountants

Ian P Olson
Partner

Dated 9th day of August 2006

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

Income Statement
Year Ended 30 June 2006

		CONSOLIDATED		PARENT	
	Note	**2006 $'000**	2005 $'000	**2006 $'000**	2005 $'000
Revenue from continuing operations	3(a)	**253,808**	132,500	**158,479**	104,039
Salaries and employee benefits expense	3(b)	**(97,932)**	(53,050)	**(65,332)**	(40,823)
Equipment service and supplies expense	3(b)	**(60,712)**	(37,463)	**(41,134)**	(28,954)
Depreciation and amortisation expense	3(b)	**(20,250)**	(7,265)	**(9,812)**	(5,373)
Finance costs	3(b)	**(9,240)**	(3,262)	**(4,184)**	(2,473)
Operating leases	3(b)	**(5,718)**	(1,835)	**(2,501)**	(1,432)
Other expenses		**(13,062)**	(7,854)	**(8,847)**	(6,188)
Profit before income tax		**46,894**	21,771	**26,669**	18,796
Income tax expense	4(a)	**(13,754)**	(6,041)	**(7,681)**	(5,143)
Net profit attributable to members of Boom Logistics Limited		**33,140**	15,730	**18,988**	13,653
Basic earnings per share (cents per share)	5	**21.8**	14.9		
Diluted earnings per share (cents per share)	5	**21.8**	14.9		
Franked dividends per share (cents per share)	6	**10.4**	6.9		

The accompanying notes form an integral part of this Income Statement.

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

Balance Sheet
At 30 June 2006

		CONSOLIDATED		PARENT	
	Note	**2006 $'000**	2005 $'000	**2006 $'000**	2005 $'000
CURRENT ASSETS					
Cash and cash equivalents	7(a)	**29,909**	6,053	**27,440**	6,155
Trade and other receivables	8	**49,196**	28,081	**34,154**	22,317
Inventories	9	**348**	357	**190**	252
Prepayments and other current assets	10	**4,450**	3,858	**3,015**	3,076
TOTAL CURRENT ASSETS		**83,903**	38,349	**64,799**	31,800
NON CURRENT ASSETS					
Receivables	11	**-**	-	**15,740**	4,314
Other financial assets	12	**-**	-	**79,846**	19,846
Plant and equipment	13	**292,724**	125,670	**144,527**	98,236
Deferred tax assets	4(b)	**3,641**	2,098	**2,664**	2,316
Intangible assets	14(b)	**51,399**	16,231	**17,186**	9,236
TOTAL NON-CURRENT ASSETS		**347,764**	143,999	**259,963**	133,948
TOTAL ASSETS		**431,667**	182,348	**324,762**	165,748
CURRENT LIABILITIES					
Trade and other payables	16	**14,853**	9,142	**6,704**	7,491
Interest bearing loans and borrowings	17	**39,719**	13,182	**18,123**	9,920
Provisions	18	**8,477**	5,861	**5,923**	4,552
Income tax payable		**529**	3,076	**644**	3,065
Other current liabilities	19	**4,671**	12,179	**4,008**	11,544
TOTAL CURRENT LIABILITIES		**68,249**	43,440	**35,402**	36,572
NON CURRENT LIABILITIES					
Interest bearing loans and borrowings	17	**88,546**	45,162	**38,597**	38,325
Provisions	18	**107**	80	**58**	58
Deferred tax liabilities	4(b)	**9,227**	2,558	**2,649**	1,989
Other non current liabilities	19	**-**	2,000	**-**	3,026
TOTAL NON-CURRENT LIABILITIES		**97,880**	49,800	**41,304**	43,398
TOTAL LIABILITIES		**166,129**	93,240	**76,706**	79,970
NET ASSETS		**265,538**	89,108	**248,056**	85,778
EQUITY					
Contributed equity	20	**226,746**	70,075	**226,746**	70,075
Retained earnings	21	**38,555**	18,962	**21,085**	15,644
Reserves	22	**237**	71	**225**	59
TOTAL EQUITY		**265,538**	89,108	**248,056**	85,778

The accompanying notes form an integral part of this Balance Sheet.

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

Cash Flow Statement
Year Ended 30 June 2006

	Note	CONSOLIDATED		PARENT	
		2006	2005	**2006**	2005
		$'000	$'000	**$'000**	$'000
Cash flows from operating activities					
Receipts from customers		**255,485**	123,296	**159,860**	96,165
Payments to suppliers and employees		**(193,867)**	(96,572)	**(146,675)**	(77,420)
Interest paid		**(9,240)**	(3,262)	**(4,184)**	(2,473)
Interest received		**1,301**	297	**1,228**	286
Income tax paid		**(7,888)**	(5,467)	**(8,400)**	(4,902)
Net cash provided by operating activities	7(b)	**45,791**	18,292	**1,829**	11,656
Cash flows from investing activities					
Payments for plant and equipment		**(50,128)**	(7,224)	**(21,162)**	(5,512)
Acquisition of subsidiary/business net of cash acquired	23(b)	**(87,441)**	(30,686)	**(86,961)**	(27,851)
Proceeds from the sale of plant and equipment		**2,038**	678	**1,419**	552
Net cash used in investing activities		**(135,531)**	(37,232)	**(106,704)**	(32,811)
Cash flows from financing activities					
Proceeds from issue of shares net of transaction costs	20(b)	**148,171**	24,099	**148,171**	24,099
Proceeds from borrowings		**-**	14,000	**-**	14,000
Repayment of borrowings		**(21,028)**	(8,746)	**(8,464)**	(5,866)
Payment of dividends	6(a)	**(13,547)**	(6,932)	**(13,547)**	(6,932)
Net cash provided by financing activities		**113,596**	22,421	**126,160**	25,301
Net increase/(decrease) in cash and cash equivalents		**23,856**	3,481	**21,285**	4,146
Cash and cash equivalents at the beginning of the period		**6,053**	2,572	**6,155**	2,009
Cash and cash equivalents at the end of the period	7(a)	**29,909**	6,053	**27,440**	6,155

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

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

Statement of Changes in Equity
Year Ended 30 June 2006

CONSOLIDATED

	Issued Capital $'000	Retained Earnings $'000	Reserves $'000	Total Equity $'000
At 1 July 2004	41,576	10,164	-	51,740
Profit for the year	-	15,730	-	15,730
Issue of share capital	29,182	-	-	29,182
Share capital raising costs	(683)	-	-	(683)
Cost of share based payments	-	-	71	71
Equity dividends	-	(6,932)	-	(6,932)
At 30 June 2005	**70,075**	**18,962**	**71**	**89,108**
Profit for the year	**-**	**33,140**	**-**	**33,140**
Issue of share capital	**159,958**	**-**	**-**	**159,958**
Share capital raising costs	**(3,287)**	**-**	**-**	**(3,287)**
Cost of share based payments	**-**	**-**	**166**	**166**
Equity dividends	**-**	**(13,547)**	**-**	**(13,547)**
At 30 June 2006	**226,746**	**38,555**	**237**	**265,538**

PARENT

	Issued Capital $'000	Retained Earnings $'000	Reserves $'000	Total Equity $'000
At 1 July 2004	41,576	8,923	-	50,499
Profit for the year	-	13,653	-	13,653
Issue of share capital	29,182	-	-	29,182
Share capital raising costs	(683)	-	-	(683)
Cost of share based payments	-	-	59	59
Equity dividends	-	(6,932)	-	(6,932)
At 30 June 2005	**70,075**	**15,644**	**59**	**85,778**
Profit for the year	**-**	**18,988**	**-**	**18,988**
Issue of share capital	**159,958**	**-**	**-**	**159,958**
Share capital raising costs	**(3,287)**	**-**	**-**	**(3,287)**
Cost of share based payments	**-**	**-**	**166**	**166**
Equity dividends	**-**	**(13,547)**	**-**	**(13,547)**
At 30 June 2006	**226,746**	**21,085**	**225**	**248,056**

The accompanying notes form an integral part of this Statement of Changes in Equity.

1. Corporate Information

The financial report of Boom Logistics Limited for the year ended 30 June 2006 was authorised for issue in accordance with a resolution of the directors on 9 August 2006.

Boom Logistics Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in note 29.

2. 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 and Australian Accounting Standards.

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

(b) Statement of compliance

The financial report complies with Australian Accounting Standards , which include Australian equivalents to International Financial Reporting Standards (AIFRS), and other authoritive pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly except for the adoption of AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* . The company has adopted the exemption under AASB 1 *First time Adoption of Australian Equivalents to International Financial Reporting Standards* from having to apply AASB 132 and AASB 139 to the comparative period. Reconciliations of AIFRS equity and profit for 30 June 2005 to the balances reported in the 30 June 2005 financial report and at transition to AIFRS are detailed in note 33.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Boom Logistics Limited and its subsidiaries as at 30 June each year ("the Group").

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.

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.

The acquisition of Sherrin Hire Pty Ltd on 8 August 2005 has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of Sherrin Hire Pty Ltd for the period from its acquisition on 8 August 2005.

2. Summary of Significant Accounting Policies (continued)

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 lifting equipment and services provided is recognised where the outcome, 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
Interest revenue is recognised when there is control of the right to receive the interest income.

(e) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(f) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where the lessor retains substantially all risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis over which the benefit of the leased asset is diminished.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(g) Cash and cash equivalents

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

For the purposes of the cash flow statement, cash includes cash on hand and in banks net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. The allowance is determined based on management's best estimate at the time and reviewed again at reporting date. Bad debts are written off when identified.

2. Summary of Significant Accounting Policies (continued)

(i) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax effect accounting by members of the tax consolidation group
Members of the tax consolidation group, being Boom Logistics Limited and its subsidiaries (excluding Sherrin Hire Pty Ltd) have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidation group in accordance with their accounting profit for the period, while deferred taxes are allocated to members of the tax consolidation group in accordance with the principles of AASB 112 Income Taxes. Allocations under the tax funding agreement are made at the end of each reporting period.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Boom Logistics Limited. The group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

2. Summary of Significant Accounting Policies (continued)

(j) Other taxes

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.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement 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.

(k) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Mobile Cranes > 20T	**20 Years**
Travel Towers	**20 Years**
Tower Cranes	**20 Years**
Tower Sections / Frames	**20 Years**
Stiffleg Derricks	**20 Years**
Mobile Cranes < 20T	**10 Years**
Access Equipment	**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 to 10 Years**
Computer and Software Equipment	**3 Years**

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Gains or losses on sale of plant and equipment are included in the income statement in the year the asset is disposed.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

2. Summary of Significant Accounting Policies (continued)

(k) Plant and equipment (continued)

An impairment exists when the carrying value of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the other expenses line item.

(l) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

When goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(m) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

2. Summary of Significant Accounting Policies (continued)

(m) Intangible assets (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed at each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

A summary of the policies applied to the Group's intangible assets is as follows:

	Contractual Rights
Useful lives	*Finite*
Method used	*10 years - Straight line*
Internally generated / Acquired	*Acquired*
Impairment test / Recoverable amount testing	*Amortisation method reviewed at each financial year end; Reviewed annually for indicator of impairment.*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(n) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount in which case the impairment loss is treated as a revaluation decrease.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2. Summary of Significant Accounting Policies (continued)

(o) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(p) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Employee benefits

Wages, salaries, annual leave, sick leave and rostered days off
Liabilities for wages and salaries, including non monetary benefits, annual leave, accumulating sick leave and rostered days off expected to be settled within 12 months of the reporting date are recognised in employee provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

2. Summary of Significant Accounting Policies (continued)

(s) Share based payment transactions

The Group provides benefits to senior management of the Group in the form of share based payments, whereby senior management receives incentive based share allocations on achievement of preset performance targets over a rolling three year period.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Boom Logistics Limited (market conditions) if applicable.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

If an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(t) 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.

(u) Dividend

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.

2. Summary of Significant Accounting Policies (continued)

(v) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude any 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.

(w) Other financial assets

Investments in controlled entities that are not classified as held for sale or included in a disposal group classified as held for sale are accounted for at cost.

(x) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

Impairment of goodwill
The Group determines whether goodwill is impaired during every reporting period. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill is discussed in note 15.

(y) Rounding

The amounts contained in this 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.

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000

3. Revenue and Expenses from Continuing Operations

(a) Revenue

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Revenue from services		**251,969**	132,175	**156,393**	103,692
Interest income from other persons/corporations		**1,301**	297	**1,622**	286
Net gains on disposal of plant and equipment		**538**	28	**464**	61
		253,808	132,500	**158,479**	104,039

(b) Expenses

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Salaries and employee benefits (net of superannuation)		**92,281**	50,644	**62,081**	39,014
Defined contribution plan expense		**5,651**	2,406	**3,251**	1,809
Equipment service and supplies		**60,712**	37,463	**41,134**	28,954
Depreciation and amortisation		**20,250**	7,265	**9,812**	5,373
Finance costs		**9,240**	3,262	**4,184**	2,473
Operating leases		**5,718**	1,835	**2,501**	1,432

4. Income Tax

The major components of income tax expense are:

(a) Income statement

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Current income tax					
Current income tax charge		**6,968**	5,871	**7,392**	5,320
Adjustments in respect of current income tax of previous years		**(25)**	(6)	**(23)**	-
Deferred income tax					
Relating to origination and reversal of temporary differences		**6,811**	176	**312**	(177)
		13,754	6,041	**7,681**	5,143

A reconciliation between tax expense and the accounting profit before income tax (multiplied by the Group's applicable income tax rate) is as follows:

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Accounting profit before tax		**46,894**	21,771	**26,669**	18,796
At the Group's statutory income tax rate of 30% (2005: 30%)		**14,068**	6,531	**8,001**	5,639
Expenditure not allowable for income tax purposes		**286**	133	**273**	109
Deductible amounts for income tax purposes recognised through equity		**(575)**	(617)	**(570)**	(605)
Adjustments in respect of current income tax of previous years		**(25)**	(6)	**(23)**	-
Income tax expense reported in the income statement		**13,754**	6,041	**7,681**	5,143

4. Income Tax (continued)

(b) Deferred income tax

Deferred income tax at 30 June relates to the following:

Consolidated

	Note	Balance sheet 2006 $'000	Balance sheet 2005 $'000	Income statement 2006 $'000	Income statement 2005 $'000
Deferred tax assets *					
- Losses available for offset against future taxable income		**675**	675	**-**	-
- Employee leave provisions		**2,575**	2,277	**(298)**	(619)
- Allowance for doubtful debts		**192**	296	**104**	(81)
- Liability accruals		**199**	290	**91**	(115)
Gross deferred income tax assets		**3,641**	3,538		
Deferred tax liabilities *					
- Accelerated depreciation for tax purposes		**(9,227)**	(2,313)	**6,914**	991
Gross deferred income tax liabilities		**(9,227)**	(2,313)		
Deferred tax income / (expense)				**6,811**	176

* *Prior year deferred tax assets and liabilities include amounts recognised from business combinations during the reporting period.*

Parent

	Note	Balance sheet 2006 $'000	Balance sheet 2005 $'000	Income statement 2006 $'000	Income statement 2005 $'000
Deferred tax assets					
- Losses available for offset against future taxable income		**675**	675	**-**	-
- Employee leave provisions		**1,794**	1,382	**(412)**	(645)
- Allowance for doubtful debts		**63**	101	**38**	(91)
- Liability accruals		**132**	158	**26**	(103)
Gross deferred income tax assets		**2,664**	2,316		
Deferred tax liabilities					
- Accelerated depreciation for tax purposes		**(2,649)**	(1,989)	**660**	662
Gross deferred income tax liabilities		**(2,649)**	(1,989)		
Deferred tax income / (expense)				**312**	(177)

The Group has tax losses arising in Australia of $2,251,153 (2005: nil) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

At 30 June 2006, there is no recognised or unrecognised deferred income tax liability (2005: $nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability for additional taxation should such amounts be remitted.

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000

4. Income Tax (continued)

(c) Tax consolidation

Boom Logistics Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidation group with effect from 8 October 2003. Boom Logistics Limited is the head entity of the tax consolidation group.

5. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	2006	2005
Net profit	**33,140**	15,730
	No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share	**152,177,630**	105,634,498
Effect of dilutive securities:		
- share options	**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**152,177,630**	105,634,498
Number of ordinary shares at financial year end	**169,080,182**	113,245,517

Issues after 30 June 2006
Since the end of the financial year, 1,395,349 ordinary shares have been issued in relation to the acquisition of James Group. 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.

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
6. Dividends Paid And Proposed					
(a) Dividends paid during the year					
Current year interim					
Fully franked dividends (5.2 cents per share) (2005: 3.0 cents per share)		**7,890**	3,331	**7,890**	3,331
Previous year final					
Fully franked dividends (3.9 cents per share)		**5,657**	3,601	**5,657**	3,601
		13,547	6,932	**13,547**	6,932
(b) Dividends proposed and not recognised as a liability					
Fully franked final dividends (5.2 cents per share) (2005: 3.9 cents per share)		**8,865**	5,657	**8,865**	5,657
(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% (2005: 30%)				**9,705**	3,755
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year				**529**	3,076
- Franking debits that will arise from the payment of dividends as at the end of the financial year				**-**	-
				10,234	6,831
The amount of franking credits available for future reporting periods:					
- Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period				**3,799**	2,424
				14,033	9,255

The tax rate at which paid dividends have been franked is 30% (2005: 30%). Dividends proposed will be franked at the rate of 30% (2005: 30%).

The Group dividend payout policy is 50% of net profit after tax.

7. Cash and Cash Equivalents

(a) Reconciliation of cash

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Cash at bank and in hand		**29,909**	6,053	**27,440**	6,155
Closing cash balance		**29,909**	6,053	**27,440**	6,155

Cash at bank earns interest at floating rates based on daily bank deposit rates.

At 30 June 2006, the Group had available $67,235,000 (2005: $31,534,000) of undrawn borrowing facilities in respect of which all conditions precedent had been met.

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

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Net profit after tax		**33,140**	15,730	**18,988**	13,653
Non cash items					
Depreciation and amortisation of non current assets		**20,250**	7,265	**9,812**	5,373
Net (profit)/loss on disposal of plant and equipment		**(538)**	(28)	**(464)**	(61)
Share based payments		**166**	71	**166**	59
Provision for doubtful debts		**201**	384	**118**	375
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		**(10,482)**	(9,520)	**(11,837)**	(7,918)
(Increase)/decrease in inventories		**9**	(60)	**62**	(43)
(Increase)/decrease in deferred tax assets		**(102)**	(714)	**(348)**	(714)
(Increase)/decrease in prepayments and other assets		**(227)**	(978)	**(11,365)**	(5,315)
(Decrease)/increase in trade and other payables		**(4,627)**	1,502	**(787)**	2,411
(Decrease)/increase in current tax liability		**(961)**	296	**(2,421)**	233
(Decrease)/increase in deferred tax liabilities		**6,914**	991	**660**	991
(Decrease)/increase in provisions		**627**	481	**1,006**	572
(Decrease)/increase in other liabilities		**1,422**	2,872	**(1,761)**	2,040
Net cash flow from operating activities		**45,791**	18,292	**1,829**	11,656

8. Trade and Other Receivables (Current)

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Trade receivables	(i)	**47,845**	27,000	**33,255**	21,858
Allowance for doubtful debts		**(641)**	(527)	**(209)**	(465)
		47,204	26,473	**33,046**	21,393
Goods and services tax		**-**	452	**-**	591
Other receivables		**1,992**	1,156	**1,108**	333
Total current trade and other receivables		**49,196**	28,081	**34,154**	22,317

(i) Trade receivables are non interest bearing and are generally on 30-60 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

		Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
9.	**Inventories (Current)**					
	Fuel at cost		**302**	188	**190**	129
	Other inventory at net realisable value		**46**	169	**-**	123
	Total current inventories		**348**	357	**190**	252
10.	**Prepayments and Other Current Assets**					
	Prepayments		**4,242**	3,743	**2,807**	2,961
	Other		**208**	115	**208**	115
	Total prepayments and other current assets		**4,450**	3,858	**3,015**	3,076
11.	**Receivables (Non Current)**					
	Amounts from wholly owned controlled entities		**-**	-	**15,740**	4,314
	Total non current trade receivables		**-**	-	**15,740**	4,314
12.	**Other Financial Assets (Non Current)**					
	Investments in controlled entities - unlisted	30	**-**	-	**79,846**	19,846
	Total non current other financial assets		**-**	-	**79,846**	19,846
13.	**Plant and Equipment**					
	(a) Opening balance at 1 July					
	Plant and equipment					
	At cost		**138,800**	84,230	**108,291**	57,221
	Accumulated depreciation		**(13,130)**	(6,166)	**(10,055)**	(4,926)
	Net carrying amount		**125,670**	78,064	**98,236**	52,295
	(b) Closing balance at 30 June					
	Plant and equipment					
	At cost		**325,107**	138,800	**163,367**	108,291
	Accumulated depreciation		**(32,383)**	(13,130)	**(18,840)**	(10,055)
	Net carrying amount		**292,724**	125,670	**144,527**	98,236

13. Plant and Equipment (continued)

(c) Reconciliation

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year is as follows:

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Plant and equipment					
Carrying amount at beginning net of accumulated depreciation and impairment		**125,670**	78,064	**98,236**	52,295
Additions		**68,269**	19,237	**37,013**	15,448
Disposals / transfers		**(1,272)**	(1,003)	**(582)**	(760)
Impairment		**-**	-	**-**	-
Additions through acquisition of entities/businesses		**119,765**	36,562	**19,130**	36,562
Depreciation charge for the year		**(19,708)**	(7,190)	**(9,270)**	(5,309)
Carrying amount at end net of accumulated depreciation and impairment		**292,724**	125,670	**144,527**	98,236

The carrying value of plant and equipment held under finance leases and hire purchase contracts, secured bank loans and commercial bills at 30 June 2006 is $135,555,329 (2005: $63,268,583). Additions during the year include $84,902,993 (2005: $22,402,735) of plant and equipment held under finance leases and hire purchase contracts and secured over bank loans and commercial bills.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

Plant and equipment with a carrying amount of $278,743,599 (2005: $117,272,383) for the Group and $144,523,731 (2005: $98,235,935) for the parent are pledged as securities for current and non current liabilities as disclosed in note 17.

14. Intangible Assets

(a) Opening balance at 1 July

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Goodwill		**10,851**	6,995	**3,856**	-
Contractual rights	(i)	**5,380**	-	**5,380**	-
Total net carrying amounts		**16,231**	6,995	**9,236**	-

(i) Contractual rights were acquired as part of the asset purchase of Brambles - Port Hedland (WA) on 30 June 2005.

14. Intangible Assets (continued)

(b) Closing balance at 30 June

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Goodwill		**46,441**	10,851	**12,228**	3,856
Contractual rights (net carrying amount)		**4,958**	5,380	**4,958**	5,380
Total net carrying amounts		**51,399**	16,231	**17,186**	9,236

(c) Reconciliation

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Goodwill					
Carrying amount at beginning net of impairment		**10,851**	6,995	**3,856**	-
Impairment		**-**	-	**-**	-
Additions through acquisition of entities/businesses		**35,590**	3,856	**8,372**	3,856
Carrying amount at end net of impairment		**46,441**	10,851	**12,228**	3,856
Contractual rights					
Carrying amount at beginning net of accumulated amortisation and impairment		**5,380**	-	**5,380**	-
Impairment		**-**	-	**-**	-
Additions through acquisition of entities/businesses		**120**	5,380	**120**	5,380
Amortisation charge for the year		**(542)**	-	**(542)**	-
Carrying amount at end net of accumulated amortisation and impairment		**4,958**	5,380	**4,958**	5,380

Goodwill is no longer amortised but is subject to annual impairment testing (see note 15).

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.

No impairment loss was recognised for continuing operations in the 2006 financial year.

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000

15. Impairment Testing of Goodwill

Goodwill acquired through business combinations have been allocated to individual cash generating units for impairment testing as follows:

- Sherrin Hire cash generating unit;
- Central Queensland cash generating unit;
- South East Queensland cash generating unit;
- Port Hedland (WA) cash generating unit;
- Morwell (VIC) cash generating unit; and
- Newcastle (NSW) cash generating unit.

The recoverable amount of the above cash generating units have been determined based on a value in use calculation using cash flow projections based on financial budgets approved by the board of directors covering the next financial year. Cash flows beyond this period are extrapolated using an average 5% growth rate to a maximum of 5 years including the next financial year. The discount rate applied to the cash flow projections is 10.3% being the Group's weighted average cost of capital.

Carrying amount of goodwill allocated to each of the cash generating units

	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
- Sherrin Hire	**27,218**	-	**-**	-
- Central Queensland	**8,372**	-	**8,372**	-
- South East Queensland	**3,080**	3,080	**-**	-
- Port Hedland (WA)	**2,701**	2,701	**2,701**	2,701
- Morwell (VIC)	**3,915**	3,915	**-**	-
- Newcastle (NSW)	**1,155**	1,155	**1,155**	1,155
	46,441	10,851	**12,228**	3,856

Key assumptions used in value in use calculations
The key assumption on which management has based its cash flow projections when determining the value in use of the cash generating units is that budgeted margins are determined based on historical performances, adjusted for internal/external changes anticipated in the budgeted year.

16. Trade and Other Payables (Current)

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Trade payables	(i)	**13,471**	8,005	**5,693**	6,180
Other payables		**1,382**	1,137	**1,011**	1,305
		14,853	9,142	**6,704**	7,485
Amounts payable to wholly owned controlled entities		**-**	-	**-**	6
Total current trade and other payables		**14,853**	9,142	**6,704**	7,491

(i) Trade payables are non interest bearing and are normally settled on 30 day terms.

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
17. Interest Bearing Loans and Borrowings					
Current					
Obligations under finance leases and hire purchase contracts	17(a),24(b)	**19,882**	10,528	**15,754**	7,266
Secured bank loans	17(c),24(b)	**16,213**	-	**-**	-
Bills of exchange - secured	17(d),24(b)	**1,255**	-	**-**	-
Other loans	17(b),24(b)	**2,369**	2,654	**2,369**	2,654
Total current interest bearing liabilities		**39,719**	13,182	**18,123**	9,920
Non current					
Obligations under finance leases and hire purchase contracts	17(a),24(b)	**52,174**	45,162	**38,597**	38,325
Secured bank loans	17(c),24(b)	**32,068**	-	**-**	-
Bills of exchange - secured	17(d),24(b)	**4,304**	-	**-**	-
Total non current interest bearing liabilities		**88,546**	45,162	**38,597**	38,325

(a) Obligations under finance leases and hire purchase contracts have an average lease term of 5 years. The average discount rate implicit in the leases is 7.3% (2005: 7.5%). Lease liabilities are secured by a charge over the leased assets and first registered mortgage over the whole of Boom Logistics Limited and Boom Logistics (VIC) Pty Ltd assets and guarantee and indemnities provided by Boom Logistics Limited.

(b) Other loans represent financing of the group insurance premium repayable over 12 months (2005: 11 months) with an effective interest rate of 4.2% (2005: 4.5%). Other loans are secured over the Group's right and interest in the insurance policy.

(c) Secured bank loans are repayable over 5 to 7 years. The average interest rate is 7.1%. Bank loans are secured by a first charge over certain of Sherrin Hire Pty Ltd's assets.

(d) Bills of exchange have maturities of 5 to 7 years with effective interest rates of 5.5% to 6.3%

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

	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Total facilities:				
- bank overdraft	**3,400**	2,400	**2,000**	2,000
- bank loans and borrowings	**192,100**	84,824	**160,000**	77,701
	195,500	87,224	**162,000**	79,701
Facilities used at reporting date:				
- bank overdraft	**-**	-	**-**	-
- bank loans and borrowings	**128,265**	55,690	**56,720**	45,591
	128,265	55,690	**56,720**	45,591
Facilities unused at reporting date:				
- bank overdraft	**3,400**	2,400	**2,000**	2,000
- bank loans and borrowings	**63,835**	29,134	**103,280**	32,110
	67,235	31,534	**105,280**	34,110

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000

17. Interest Bearing Loans and Borrowings (continued)

Assets pledged as security
The carrying amounts of assets pledged as security for current and non current interest bearing liabilities are:

	Consolidated 2006 $'000	Consolidated 2005 $'000	Parent 2006 $'000	Parent 2005 $'000
- Plant and equipment	**143,189**	54,003	**85,923**	53,190
- Plant and equipment under lease	**135,555**	63,269	**58,601**	45,046
Total value of assets pledged as security	**278,744**	117,272	**144,524**	98,236

18. Provisions

	Employee Leave	*Other **	***Total***
Consolidated			
At 1 July 2005	5,918	23	**5,941**
Acquisition of entities/businesses	2,016	-	**2,016**
Arising during the year	6,647	-	**6,647**
Utilised	(5,997)	(23)	**(6,020)**
At 30 June 2006	8,584	-	**8,584**
Current 2006	8,477	-	**8,477**
Non current 2006	107	-	**107**
	8,584	-	**8,584**
Current 2005	5,838	23	5,861
Non current 2005	80	-	80
	5,918	23	5,941
Parent			
At 1 July 2005	4,587	23	**4,610**
Acquisition of entities/businesses	365	-	**365**
Arising during the year	4,537	-	**4,537**
Utilised	(3,508)	(23)	**(3,531)**
At 30 June 2006	5,981	-	**5,981**
Current 2006	5,923	-	**5,923**
Non current 2006	58	-	**58**
	5,981	-	**5,981**
Current 2005	4,529	23	4,552
Non current 2005	58	-	58
	4,587	23	4,610

***** *Other represents credit note provisions.*

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000

19. Other Liabilities

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Current					
PAYG tax withheld		**395**	254	**307**	203
Goods and services tax		**1,236**	-	**837**	-
Deferred cash settlement for business acquired	(i)	**2,000**	10,924	**2,000**	10,444
Other accrued expenses		**1,040**	1,001	**864**	897
Total other current liabilities		**4,671**	12,179	**4,008**	11,544
Non current					
Deferred cash settlement for business acquired	(i)	**-**	2,000	**-**	2,000
Amounts payable to wholly owned controlled entities		**-**	-	**-**	1,026
Total other non current liabilities		**-**	2,000	**-**	3,026

(i) At reporting date, Boom Logistics Limited had deferred cash settlements representing the remaining consideration payable for the asset purchases of Brambles - Bowen Basin (QLD).

20. Contributed Equity

(a) Issued and paid up capital

	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Ordinary shares fully paid	**226,746**	70,075	**226,746**	70,075

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in shares on issue

		2006		2005	
		No. of shares	**$'000**	No. of shares	$'000
Beginning of the financial year		**113,245,517**	**70,075**	92,345,215	41,576
Issued during the year:					
- employee share incentive schemes	(i)	**102,612**	**-**	480,872	-
- prior year acquisitions	(ii)	**-**	**-**	2,638,030	4,400
- share placement	(iii)	**53,118,486**	**151,458**	15,766,400	23,649
- purchase of Sherrin Hire Pty Ltd	(iv)	**1,359,949**	**3,000**	-	-
- purchase of Camilleri P/L assets	(v)	**1,253,618**	**5,500**	-	-
- exercise of share options		**-**	**-**	2,015,000	1,133
- capital raising costs		**-**	**(3,287)**	-	(683)
Total issued during the year		**55,834,665**	**156,671**	20,900,302	28,499
End of the financial year		**169,080,182**	**226,746**	113,245,517	70,075

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000

20. Contributed Equity (continued)

(b) Movements in shares on issue (continued)

(i) This amount represents the granting of 102,612 ordinary shares to employees as part of the employee share incentive schemes for nil consideration during the financial year. Refer to Notes 25(b) for further details.

(ii) Amounts represent ordinary shares issued as part of consideration in acquiring 2 businesses in the prior year.

(iii) This amount represents share placements during the financial year to fund acquisitions and capital expenditures.

(iv) On 8 August 2005, 1,359,949 ordinary shares were issued as part consideration in acquiring 100% of Sherrin Hire Pty Ltd. The value placed on the issue was the contract price being the 5 day volume weighted average price (VWAP) prior to that date of $2.206 per share.

(v) On 1 April 2006, 1,253,618 ordinary shares were issued as part consideration in acquiring the assets of Camilleri Industries Australia Pty Ltd. The value placed on the issue was the contract price being the 5 day VWAP prior to that date of $4.387 per share.

21. Retained Earnings

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Balance at the beginning of year		**18,962**	10,164	**15,644**	8,923
Net profit for the year		**33,140**	15,730	**18,988**	13,653
Total available for appropriation		**52,102**	25,894	**34,632**	22,576
Dividends paid	6(a)	**(13,547)**	(6,932)	**(13,547)**	(6,932)
Balance at end of year		**38,555**	18,962	**21,085**	15,644

22. Reserves

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Employee equity benefits reserve					
Balance at the beginning of year		**71**	-	**59**	-
Share based payments	(i)	**166**	71	**166**	59
Balance at end of year		**237**	71	**225**	59

(i) This reserve is used to record the value of equity benefits provided to employees as part of their remuneration. Refer to note 25(b) for further details of these plans.

23. Business Combination

(a) Acquisition of controlled entities and businesses

The following businesses were acquired during the 2006 reporting period:

Entity	Sherrin Hire P/L		Camilleri Industries Australia P/L		Total Acquisitions Year Ended 30 June 2006
Date of Acquisition	8 August 2005		1 April 2006		
Type of Acquisition	share purchase		asset purchase		
	Recognised on acquisition $'000	Carrying value $'000	Recognised on acquisition $'000	Carrying value $'000	Recognised on acquisition $'000
(i) Consideration					
- cash paid	57,000		21,524		78,524
- ordinary shares	3,000		5,500		8,500
	60,000		27,024		87,024
(ii) Net assets acquired					
- cash and cash equivalents	2,382	2,382	-	-	2,382
- trade receivables	10,633	10,633	-	-	10,633
- other current assets	365	365	-	-	365
- plant and equipment	100,635	100,027	19,130	17,310 *	119,765
- deferred tax assets	1,441	1,441	-	-	1,441
	115,456	114,848	19,130	17,310	134,586
- trade payables	(9,180)	(9,180)	-	-	(9,180)
- other current liabilities	(1,158)	(1,159)	-	-	(1,158)
- provisions	(1,651)	(1,651)	(365)	(365)	(2,016)
- income tax payable	1,586	1,586	-	-	1,586
- interest bearing loans and borrowings	(72,516)	(72,516)	(113)	(113)	(72,629)
- deferred tax liabilities	245	(4,465)	-	-	245
	(82,674)	(87,385)	(478)	(478)	(83,152)
Net assets acquired	32,782	27,463	18,652	16,832	51,434
(iii) Goodwill arising on acquisition ***	27,218	**	8,372		35,590
(iv) Net cash effect					
Cash consideration paid	57,000		21,524		78,524
Net cash acquired	(2,382)		-		(2,382)
Net cash paid	54,618		21,524		76,142

***** *Amount represents carrying value of plant and equipment as at 31 December 2005 sourced from due diligence information. The carrying value immediately before acquisition date was not available. Increase in value from 31 December 2005 due to a combination of additional plant and equipment and fair market valuation.*

****** *Goodwill arising on Sherrin acquisition has changed from the amount reported as at 31 December 2005 half year due to a subsequent purchase price reallocation at 30 June 2006.*

******* *Goodwill arising on acquisition constitutes payment in excess of the net fair value of the identifiable assets, liabilities and contingent liabilities at acquisition date in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.*

	Note	CONSOLIDATED 2006 $'000	2005 $'000	PARENT 2006 $'000	2005 $'000

23. Business Combination (continued)

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

Contributions from the business combinations post acquisition date is not able to be disclosed as the original form of the business combinations have altered since acquisition date.

(b) Payments for business combinations

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

	Note	CONSOLIDATED 2006 $'000	2005 $'000	PARENT 2006 $'000	2005 $'000
Subsidiary/business acquired during the year net of cash acquired	23(a)(iv)	**76,142**	26,701	**76,142**	26,701
Deferred cash settlement for businesses acquired in previous periods		**11,299**	3,985	**10,819**	1,150
		87,441	30,686	**86,961**	27,851

24. Commitments and Contingencies

(a) Operating leases commitments

The Group has entered into commercial leases on certain plant and equipment, motor vehicles and property. These leases have an average term of 1 to 10 years.

	Note	CONSOLIDATED 2006 $'000	2005 $'000	PARENT 2006 $'000	2005 $'000
Minimum lease payments					
- within one year		**5,555**	2,685	**2,109**	2,338
- after one year but not more than five years		**14,977**	5,234	**4,087**	4,850
- more than five years		**3,999**	562	**1,022**	562
Aggregate operating lease expenditure contracted for at reporting date		**24,531**	8,481	**7,218**	7,750

(b) Interest bearing loans and borrowings commitments

The Group has interest bearing loans and borrowings for various items of plant and equipment for periods of between 1 to 6 years.

	Note	CONSOLIDATED 2006 $'000	2005 $'000	PARENT 2006 $'000	2005 $'000
- within one year		**47,119**	14,267	**21,529**	10,325
- after one year but not more than five years		**100,067**	51,268	**43,782**	43,570
- more than five years		**1,655**	-	**-**	-
Total minimum lease payments		**148,841**	65,535	**65,311**	53,895
- future charges		**(20,576)**	(9,845)	**(8,591)**	(8,304)
Net hire purchase liability		**128,265**	55,690	**56,720**	45,591
- current liability	17	**39,719**	10,528	**18,123**	7,266
- non current liability	17	**88,546**	45,162	**38,597**	38,325
		128,265	55,690	**56,720**	45,591

24. Commitments and Contingencies (continued)

(c) Remuneration commitments

Commitments for the payment of salaries and other remuneration in existence at reporting date but not recognised as liabilities are as follows:

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
- within one year		**180**	86	**180**	86
- after one year but not more than five years		**123**	99	**123**	99
- more than five years		**-**	-	**-**	-
		303	185	**303**	185

(d) Capital commitments

Commitments contracted for at reporting date but not recognised as liabilities are as follows:

	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
Plant and equipment					
- within one year		**6,943**	-	**969**	-
- after one year but not more than five years		**-**	-	**-**	-
- more than five years		**-**	-	**-**	-
		6,943	-	**969**	-

25. Employee Benefits and Commitments

The Group employed 1,204 employees as at 30 June 2006 (2005: 663 employees).

(a) Employee benefits

The aggregate employee benefit liability is comprised of:	Note	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
- accrued salaries, wages and on costs		**1,005**	388	**744**	384
- provisions (current)	18	**8,477**	5,838	**5,923**	4,529
- provisions (non current)	18	**107**	80	**58**	58
		9,589	6,306	**6,725**	4,971

(b) Employee share incentive schemes

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).

25. Employee Benefits and Commitments (continued)

(b) Employee share incentive schemes (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 executives) 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 non executive 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:

	2006 Number of shares	2005 Number of shares
Balance at beginning of year	**766,320**	464,000
- issued for nil consideration	**102,612**	480,872
- issued in lieu of cash remuneration	**38,223**	46,592
- sold / transferred	**(203,159)**	(225,144)
Balance at end of year	**703,996**	766,320

26. Events After the Balance Sheet Date

Subsequent to 30 June 2006, the consolidated entity signed several commercial hire purchase agreements to acquire plant and equipment to the value of $7,020,040.

On 1 August 2006, Boom Logistics Limited acquired the business of the James Group for $60,000,000. The purchase price consideration includes an issue of $6,000,000 or 1,395,349 of ordinary shares at an issue price of $4.30 per share.

On 9 August 2006, the directors of Boom Logistics Limited declared a fully franked final dividend of 5.2 cents per share totalling $8,864,728 in respect of the 2006 financial year. The dividend has not been provided for in the 30 June 2006 financial statements.

27. Auditors' Remuneration

The auditor of Boom Logistics Limited is PKF.

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 group	**100,511**	100,461	**93,281**	90,461
- other services in relation to the entity and any other entity in the consolidated group:				
- tax compliance (PKF Melbourne)	**34,343**	41,359	**33,845**	32,086
	134,854	141,819	**127,125**	122,546

28. Director and Executive Disclosures

(a) Details of non-executive directors

Rodney John Robinson	Chairman (Non-executive)
Terrance Alexander Hebiton	Director (Non-executive)
Douglas Edwin Williams	Director (Non-executive) resigned 31 March 2006
Dr. Huw Geraint Davies	Director (Non-executive)
Terrence Charles Francis	Director (Non-executive)
Jane Margaret Harvey	Director (Non-executive) appointed 12 July 2005

(b) Details of key management personnel

The following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the reporting period:

Roderick Harmon	Managing Director
Mark Lawrence	Finance Director and Company Secretary - appointed director 1 July 2006
Brian Praetz	General Manager - Western Australian Division
Drew Baker	General Manager - Victorian Tower Crane Division (on leave of absence until 28 February 2007)
Brenton Salleh	General Manager - Victorian Division
Alex Pagonis	General Manager - Queensland Division
Mark Apthorpe	General Manager - New South Wales Division
Steven Goulding	General Manager - Sherrin Hire Pty Ltd
Frank Legena	National Manager - Quality, Safety and Risk

All the above persons were also key management personnel during the year ended 30 June 2005, except for Steven Goulding who commenced employment with the Group on 8 August 2005 upon the acquisition of Sherrin Hire Pty Ltd.

(c) Summarised compensation of non-executive directors and key management personnel

Summary of non-executive directors and key management personnel compensation in the following categories are as follow:

	CONSOLIDATED		PARENT	
	2006	2005	**2006**	2005
Short-term employee benefits	**2,758,801**	2,147,903	**2,533,549**	2,147,903
Post employment benefits	**361,126**	182,889	**336,967**	182,889
Other long term benefits	**-**	-	**-**	-
Termination benefits	**-**	-	**-**	-
Share based payments	**282,754**	256,704	**282,754**	256,704
Total compensation	**3,402,681**	2,587,496	**3,153,270**	2,587,496

Refer to the Remuneration Report in the Directors' Report for detail compensation disclosure on non-executive directors and key management personnel. The Group has taken advantage of the relief provided by the Corporations Amendments Regulation 2006(4) to transfer the detail compensation disclosures on non-executive directors and key management personnel to the Directors' Report.

28. Director and Executive Disclosures

(d) Shareholdings of non-executive directors and key management personnel

Ordinary shares held in Boom Logistics Limited (number) 30 June 2006	Balance 1 July 05	Granted as remuner-ation	On exercise of options	Net change other *	Balance 30 June 06
Non-Executive Directors					
John Robinson	102,000	-	-	2,272	104,272
Terrance Hebiton	363,937	-	-	(231,485)	132,452
Douglas Williams	128,155	-	-	(119,611)	8,544
Dr. Huw Davies	86,000	-	-	(684)	85,316
Terrence Francis	22,000	-	-	2,272	24,272
Jane Harvey	-	-	-	5,000	5,000
Executives					
Roderick Harmon	1,711,148	32,661	-	(60,456)	1,683,353
Mark Lawrence	489,563	16,312	-	(128,482)	377,393
Brian Praetz	80,000	9,752	-	19,249	109,001
Drew Baker	79,503	9,317	-	(79,503)	9,317
Brenton Salleh	1,015,580	8,662	-	(272,728)	751,514
Alex Pagonis	12,213	8,982	-	-	21,195
Mark Apthorpe	12,426	8,993	-	-	21,419
Steven Goulding	-	-	-	6,272	6,272
Frank Legena	376,369	7,933	-	(75,456)	308,846
Total	**4,478,894**	**102,612**	**-**	**(933,340)**	**3,648,166**

Ordinary shares held in Boom Logistics Limited (number) 30 June 2005	Balance 1 July 04	Granted as remuner-ation	On exercise of options	Net change other *	Balance 30 June 05
Non-Executive Directors					
John Robinson	100,000	-	-	2,000	102,000
Terrance Hebiton	4,621,213	-	2,015,000	(6,272,276)	363,937
Douglas Williams	15,122,155	-	-	(14,994,000)	128,155
Fiona Bennett	50,000	-	-	2,000	52,000
Dr. Huw Davies	80,000	-	-	6,000	86,000
Terrence Francis	-	-	-	22,000	22,000
Executives					
Roderick Harmon	1,661,071	48,077	-	2,000	1,711,148
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 directors and executives during the financial year. These transactions have no connection with their roles and responsibilities as employees of the Group.*

28. Director and Executive Disclosures (continued)

(d) Shareholdings of non-executive directors and key management personnel (continued)

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(e) Other transactions and balances with non-executive directors and key management personnel

Services
During the year, Boom Logistics Limited leased 2 premises for $237,448 (2005: 2 premises for $247,848) from D&J Williams Superannuation Trust and Mogador Pty Ltd, both of which Douglas E. Williams is a principal. The lease was made on normal commercial terms.

During the year, Boom Logistics Limited leased equipment for $16,677 (2005: $100,175) from Sutville Pty Ltd, of which Douglas E. Williams is a director. The lease was made on normal commercial terms.

Other
During the year, deferred vendor payment of $144,126 (2005: $194,758) was paid to Brenton Salleh as part of the settlement on the acquisition of Boom Logistics (VIC) Pty Ltd.

Amounts recognised at the reporting date in relation to other transactions

	2006	2005
	$'000	$'000
Current liabilities		
- trade and other payables	**103**	206
Non current liabilities	**-**	-
	103	206

29. Segment Information

(a) Segment products and locations

The Group operates in the lifting solutions 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 Group's policies described in Note 2. During the financial year, there were no changes in segment accounting policies that had a material effect on the segment information.

30. Related Party Disclosure

The consolidated financial statements include the financial statements of Boom Logistics Limited and the subsidiaries listed in the following table.

Name	**Country of incorporation**	**% Equity interest**		**Investment**	
		2006	2005	**2006**	2005
		%	%	**$'000**	$'000
Sherrin Hire Pty Ltd **^**	Australia	**100**	-	**60,000**	-
Boom Logistics (QLD) Pty Ltd *****	Australia	**100**	100	**15,896**	15,896
Boom Logistics (VIC) Pty Ltd ******	Australia	**100**	100	**3,950**	3,950
Hilyte Australia Pty Ltd *******	Australia	**100**	100	**-**	-
Total investment in subsidiaries				**79,846**	19,846

Nature of the entities acquired are predominately crane hire and lifting solutions businesses. Refer to Note 23(a) for further acquisition details.

Boom Logistics Limited is the ultimate parent company.

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured and interest is charged at normal commercial terms.

***** *Boom Logistics (QLD) Pty Ltd changed its name from Holts Industries Pty Ltd on 27 October 2005.*
****** *Boom Logistics (VIC) Pty Ltd changed its name from Heavy Lift Cranes Australia Pty Ltd on 9 November 2005.*
******* *Investment is held by Boom Logistics (QLD) Pty Ltd.*

(a) ^ Entities subject to class order

Pursuant to Class Order 98/1418, relief has been granted to Sherrin Hire Pty Ltd from the Corporations Act 2001 requirements for preparation, audit and lodgement of their financial reports.

As a condition of the Class Order, Boom Logistics Limited and Sherrin Hire Pty Ltd (the "Closed Group"), entered into a Deed of Cross Guarantee on 6 December 2005. The effect of the deed is that Boom Logistics Limited has guaranteed to pay any deficiency in the event of winding up of Sherrin Hire Pty Ltd or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. Sherrin Hire Pty Ltd has also given a similar guarantee in the event that Boom Logistics Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The consolidated income statement and balance sheet of the entities that are members of the "Closed Group" are as follows:

	CLOSED GROUP 2006 $'000
Consolidated Income Statement	
Profit before income tax	**45,450**
Income tax expense	**(13,323)**
Net profit for the period	**32,127**
Retained earnings at the beginning of the period	**15,644**
Dividends provided for or paid	**(13,547)**
Retained earnings at the end of the period	**34,224**

30. Related Party Disclosure (continued)

(a) Entities subject to class order (continued)

Consolidated Balance Sheet	CLOSED GROUP as at 30 June 2006 $'000
Current assets	
Cash and cash equivalents	**29,675**
Trade and other receivables	**46,108**
Inventories	**243**
Prepayments and other current assets	**3,927**
Total current assets	**79,953**
Non current assets	
Receivables	**7,706**
Other financial assets	**19,846**
Plant and equipment	**261,236**
Deferred tax assets	**3,228**
Intangible assets	**44,404**
Total non current assets	**336,420**
Total assets	**416,373**
Current liabilities	
Trade and other payables	**12,345**
Interest bearing loans and borrowings	**37,240**
Provisions	**7,368**
Income tax payable	**566**
Other current liabilities	**3,414**
Total current liabilities	**60,933**
Non current liabilities	
Interest bearing loans and borrowings	**83,696**
Provisions	**107**
Deferred tax liabilities	**8,442**
Other non current liabilities	**2,000**
Total non current liabilities	**94,245**
Total liabilities	**155,178**
Net assets	**261,195**
Equity	
Contributed equity	**226,746**
Retained earnings	**34,224**
Reserves	**225**
Total equity	**261,195**

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank loans, finance leases and hire purchase contracts, and cash and overdrafts.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the reporting period, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks as summarised below.

Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts. The Group's policy is that not more than 70% of net borrowings should exceed total equity. At 30 June 2006, Group's net debt to equity ratio was 37% (2005: 59%).

Credit risk
The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

32. Financial Instruments

(a) Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments recognised in the financial statements.

The fair values of borrowings have been calculated by discounting the expected future cash flows at prevailing interest rates.

	Carrying amount		**Fair value**	
	2006	2005	**2006**	2005
	$'000	$'000	**$'000**	$'000
Consolidated				
Financial assets				
Cash	**29,909**	6,053	**29,909**	6,053
Trade receivables (current)	**47,204**	26,473	**47,204**	26,473
Financial liabilities				
Trade payables	**14,853**	9,142	**14,853**	9,142
Interest bearing loans and borrowings:				
- Finance leases and hire purchase contracts	**72,056**	55,690	**72,056**	55,690
- Bank loans	**48,281**	-	**48,281**	-
- Bills of exchange	**5,559**	-	**5,559**	-
- Other loans	**2,369**	2,654	**2,369**	2,654
Parent				
Financial assets				
Cash	**27,440**	6,155	**27,440**	6,155
Trade receivables (current)	**33,046**	21,393	**33,046**	21,393
Receivables (non current)	**15,740**	4,314	**15,740**	4,314
Other financial assets (non current)	**79,846**	19,846	**79,846**	19,846
Financial liabilities				
Trade payables	**6,704**	7,491	**6,704**	7,491
Interest bearing loans and borrowings:				
- Finance leases and hire purchase contracts	**54,351**	45,591	**54,351**	45,591
- Other loans	**2,369**	2,654	**2,369**	2,654

32. Financial Instruments (continued)

(b) Interest rate risk

(i) Year ended 30 June 2006

	< 1 year $'000	> 1 year < 2 years $'000	> 2 year < 3 years $'000	> 3 year < 4 years $'000	> 4 year < 5 years $'000	> 5 years $'000	Total $'000	Weighted average effective interest rate %
Consolidated								
Financial assets								
- Cash (floating rate)	29,887	-	-	-	-	-	**29,887**	5.5%
weighted average effective interest rate	5.5%							
Financial liabilities								
- Finance leases and hire purchase contracts	9,007	4,033	11,086	19,095	25,374	3,461	**72,056**	7.3%
- Bank loans	10,794	-	-	1,461	29,606	6,420	**48,281**	7.1%
- Bills of exchange	-	1,233	-	-	-	4,326	**5,559**	6.1%
- Other loans	2,369	-	-	-	-	-	**2,369**	4.2%
weighted average effective interest rate	7.1%	6.7%	7.5%	7.3%	7.0%	7.3%		
Parent								
Financial assets								
- Cash (floating rate)	27,424	-	-	-	-	-	**27,424**	5.5%
weighted average effective interest rate	5.5%							
Financial liabilities								
- Finance leases and hire purchase contracts	8,329	3,000	8,771	9,809	24,442	-	**54,351**	7.2%
- Other loans	2,369	-	-	-	-	-	**2,369**	4.2%
weighted average effective interest rate	7.4%	6.8%	7.4%	7.1%	6.9%			

32. Financial Instruments (continued)

(b) Interest rate risk

(ii) Year ended 30 June 2005

	< 1 year $'000	> 1 year < 2 years $'000	> 2 year < 3 years $'000	> 3 year < 4 years $'000	> 4 year < 5 years $'000	> 5 years $'000	Total $'000	Weighted average effective interest rate %
Consolidated								
Financial assets								
- Cash (floating rate)	6,037	-	-	-	-	-	**6,037**	5.0%
weighted average effective interest rate	5.0%	-	-	-	-	-		
Financial liabilities								
- Finance leases and hire purchase contracts	1,415	11,899	5,242	12,833	24,301	-	**55,690**	7.5%
- Other loans	2,654	-	-	-	-	-	**2,654**	4.5%
weighted average effective interest rate	5.7%	8.1%	7.0%	7.5%	7.1%	-		
Parent								
Financial assets								
- Cash (floating rate)	6,143	-	-	-	-	-	**6,143**	5.0%
weighted average effective interest rate	5.0%	-	-	-	-	-		
Financial liabilities								
- Finance leases and hire purchase contracts	-	10,608	3,860	10,173	20,950	-	**45,591**	7.5%
- Other loans	2,654	-	-	-	-	-	**2,654**	4.5%
weighted average effective interest rate	4.5%	8.3%	6.9%	7.4%	7.0%	-		

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the Group and Parent that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

33. Transition to AIFRS

For all periods up to and including the year ended 30 June 2005, the Group prepared its financial statements in accordance with Australian Generally Accepted Accounting Practice (AGAAP). These financial statements for the year ended 30 June 2006 are the first the Group is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

Accordingly, the Group has prepared financial statements that comply with AIFRS applicable for periods beginning on or after 1 January 2005 and the significant accounting policies meeting those requirements are described in note 2. In preparing these financial statements, the Group has started from an opening balance sheet as at 1 July 2004, the Group's date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB 1 *First time adoption of AIFRS* .

This note explains the principal adjustments made by the Group in restating its previously published AGAAP financial statements for the year ended 30 June 2005. There were no restatements required to the AGAAP balance sheet as at 1 July 2004.

Exemptions applied
AASB 1 allows first time adopters certain exemptions from the general requirement to apply AIFRS retrospectively.

The Group has taken the following exemptions:

- Comparative information for financial instruments is prepared in accordance with AGAAP and the company and Group have adopted AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2005.

- AASB 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that occurred before 1 July 2004.

- AASB 2 *Share Based Payment* has not been applied to any equity instruments that were granted on or before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2005.

Explanation of material adjustments to the cash flow statement
There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP.

		CONSOLIDATED			PARENT		
Income Statement For the year ended 30 June 2005	**Note**	**AGAAP**	**AIFRS Impact**	**AIFRS**	**AGAAP**	**AIFRS Impact**	**AIFRS**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue from continuing operations		132,500		**132,500**	104,039		**104,039**
Salaries and employee benefits expense	(i)	(52,979)	(71)	**(53,050)**	(40,764)	(59)	**(40,823)**
Equipment service and supplies expense		(37,463)		**(37,463)**	(28,954)		**(28,954)**
Depreciation and amortisation expense	(ii)	(7,627)	362	**(7,265)**	(5,373)		**(5,373)**
Finance costs		(3,262)		**(3,262)**	(2,473)		**(2,473)**
Other expenses		(9,689)		**(9,689)**	(7,620)		**(7,620)**
Profit before income tax		21,480	291	**21,771**	18,855	(59)	**18,796**
Income tax expense		(6,041)		**(6,041)**	(5,143)		**(5,143)**
Net profit attributable to members of the parent		15,439	291	**15,730**	13,712	(59)	**13,653**

33. Transition to AIFRS (continued)

Balance Sheet As at 30 June 2005	Note	CONSOLIDATED AGAAP $'000	CONSOLIDATED AIFRS Impact $'000	CONSOLIDATED AIFRS $'000	PARENT AGAAP $'000	PARENT AIFRS Impact $'000	PARENT AIFRS $'000
Current assets							
Cash and cash equivalents		6,053		**6,053**	6,155		**6,155**
Trade and other receivables		28,081		**28,081**	22,317		**22,317**
Inventories		357		**357**	252		**252**
Prepayments and other current assets		3,858		**3,858**	3,076		**3,076**
Total current assets		38,349	-	**38,349**	31,800	-	**31,800**
Non current assets							
Trade receivables		-		**-**	4,314		**4,314**
Other financial assets		-		**-**	19,846		**19,846**
Plant and equipment		125,670		**125,670**	98,236		**98,236**
Deferred tax assets		2,098		**2,098**	2,316		**2,316**
Intangible assets and goodwill	(ii)	15,869	362	**16,231**	9,236		**9,236**
Total non current assets		143,637	362	**143,999**	133,948	-	**133,948**
Total assets		181,986	362	**182,348**	165,748	-	**165,748**
Current liabilities							
Trade and other payables		9,142		**9,142**	7,491		**7,491**
Interest bearing loans and borrowings		13,182		**13,182**	9,920		**9,920**
Provisions		5,861		**5,861**	4,552		**4,552**
Income tax payable		3,076		**3,076**	3,065		**3,065**
Other current liabilities		12,179		**12,179**	11,544		**11,544**
Total current liabilities		43,440	-	**43,440**	36,572	-	**36,572**
Non current liabilities							
Interest bearing loans and borrowings		45,162		**45,162**	38,325		**38,325**
Provisions		80		**80**	58		**58**
Deferred tax liabilities		2,558		**2,558**	1,989		**1,989**
Other non current liabilities		2,000		**2,000**	3,026		**3,026**
Total non current liabilities		49,800	-	**49,800**	43,398	-	**43,398**
Total liabilities		93,240	-	**93,240**	79,970	-	**79,970**
Net assets		88,746	362	**89,108**	85,778	-	**85,778**
Equity							
Contributed equity		70,075		**70,075**	70,075		**70,075**
Retained earnings	(i),(ii)	18,671	291	**18,962**	15,703	(59)	**15,644**
Reserves	(i)	-	71	**71**	-	59	**59**
Total equity		88,746	362	**89,108**	85,778	-	**85,778**

33. Transition to AIFRS (continued)

(i) Under AASB 2 *Share Based Payments* , the Group 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 expenses were not recognised under AGAAP.

(ii) 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. Under AGAAP, the Group amortised goodwill over 20 years.

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 2006 and of their performance for the year ended on that date; and

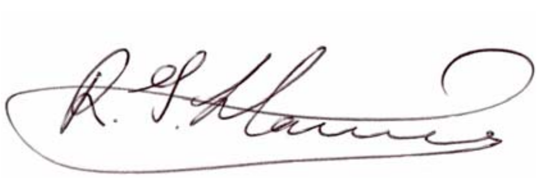
  (ii) complying with Accounting Standards, including other mandatory professional reporting requirements, and Corporations Regulations 2001; and

(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.

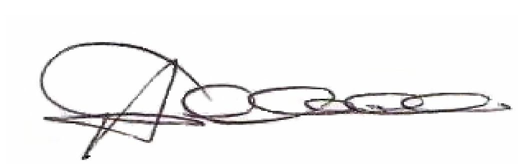
This declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and Finance Director in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2006.

In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 30 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



Roderick Harmon
Managing Director



John Robinson
Chairman

Melbourne, 9 August 2006

PKF

Chartered Accountants
& Business Advisers

**INDEPENDENT AUDIT REPORT TO
MEMBERS OF BOOM LOGISTICS LIMITED**

Scope

The financial report, remuneration disclosures and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, notes to the financial statements and the directors' declaration for Boom Logistics Limited (the company and the consolidated entity), for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during that year.

The company has disclosed information about the remuneration of key management personnel ("remuneration disclosures"), as required by Accounting Standard AASB 124 Related Party Disclosures under the heading "remuneration report" on pages 4 to 9 of the directors' report, as permitted by the Corporations Regulations 2001.

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. The directors are also responsible for the remuneration disclosures contained in the directors' 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 and the remuneration disclosures comply with Accounting Standard AASB 124 and the Corporations Regulations 2001. 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 its performance as represented by the results of its operations and cash flows and whether the remuneration disclosures comply with Accounting Standard AASB 124 and the Corporations Regulations 2001.

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 remuneration disclosures, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Chartered Accountants
& Business Advisers

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:

(1) 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 Boom Logistics Limited's financial position as at 30 June 2006 and of its 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.

(2) the remuneration disclosures that are contained in pages 4 to 9 of the directors' report comply with Accounting Standard AASB 124 and the Corporations Regulations 2001.

PKF

PKF
Chartered Accountants

Ian P Olson
Partner

Dated 9th day of August 2006

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 31 July 2006.

(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	1,109	715,201
1,001	-	5,000	2,844	8,268,195
5,001	-	10,000	1,456	10,859,111
10,001	-	100,000	1,001	19,415,592
100,001	and over		92	129,822,083
			6,502	169,080,182
The number of shareholders holding less than a marketable parcel of shares are:			35	1,355

(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	18,936,566	11.2
2	J P Morgan Nominees Australia	18,739,756	11.1
3	Citicorp Nominees Pty Limited	13,521,128	8.0
4	Westpac Custodian Nominees Limited	11,001,720	6.5
5	RBC Dexia Investor Services Australia Nominees Pty Ltd	7,354,710	4.3
6	Cogent Nominees Pty Limited	6,953,181	4.1
7	ANZ Nominees Limited	6,105,253	3.6
8	Queensland Investment Corporation	3,771,861	2.2
9	Mr Leslie Raymond Holt	2,504,272	1.5
10	Mrs Patricia Gail Holt	2,504,272	1.5
11	Tarni Investments Pty Ltd	2,410,522	1.4
12	Bond Street Custodians Limited	2,383,149	1.4
13	Cadilla Pty Ltd	1,837,221	1.1
14	Argo Investments Limited	1,765,920	1.0
15	Harmon Consulting Pty Ltd	1,595,843	0.9
16	UBS Nominees Pty Ltd	1,493,867	0.9
17	Mr Robert John Bower	1,412,413	0.8
18	AMP Life Limited	1,400,050	0.8
19	Mr Thomas John Morris	1,254,241	0.7
20	Camilleri Trading Pty Ltd	1,253,618	0.7
Top twenty shareholders		108,199,563	64.0
Remainder		60,880,619	36.0
Total		**169,080,182**	**100.0**

(c) Voting Rights

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