



ABN 28 095 466 961

**Interim Financial Report
for the six months ended 31 December 2017**

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Boom Logistics Limited ("Boom Logistics" or "the Company") and the entities it controlled for the half-year ended 31 December 2017.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Maxwell John Findlay	Chairman (non-executive)
Mr Brenden Clive Mitchell	Managing Director (executive)
Mr. Jean-Pierre Johannes Andreas Maria Buijtsels	Director (non-independent, non-executive)
Mr Terrence Charles Francis	Director (non-executive)
Mr Terence Alexander Hebiton	Director (non-executive)

Operating and Financial Review

The Group recorded a statutory net profit after tax for the half year ended 31 December 2017 (FY18 H1) of \$0.4 million (FY17 H1: net loss of (\$9.5 million)). Statutory earnings before interest expense, tax, depreciation and amortisation (EBITDA) was a profit of \$11.3 million (FY17 H1: profit of \$1.3 million). Statutory earnings before interest expense and tax (EBIT) was a profit of \$2.4 million (FY17 H1: loss of (\$7.6 million)).

Results Summary

	31-Dec-17 \$'m	31-Dec-16 \$'m	Change %
Revenue from Services	92.4	73.1	26%
Operating Costs	(81.1)	(68.6)	18%
Trading EBITDA	11.3	4.5	151%
Less: Non-Trading Expenses (a)	(0.2)	(1.2)	
Add/ (less): Profit/ (loss) on Sale of Assets	0.2	(0.1)	
Less: Impairment of Assets Held for Sale	0.0	(1.9)	
Statutory EBITDA	11.3	1.3	
Depreciation and Amortisation	(8.9)	(8.9)	
Statutory EBIT	2.4	(7.6)	

(a) includes \$0.2m (FY17 H1: \$0.1m) of legal fees disclosed within other expenses on the face of the Income Statement. FY17 H1 non-trading expenses also included restructuring expenses of \$1.1m.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

Review of Operations

The performance of the Group improved in the period. This was primarily due to the following factors:

- Incremental revenue earned in the period from contracts won in the prior year;
- New revenue from projects completed and commenced in the period:
 - Olympic Dam shutdown – completed in the period;
 - Kiata wind farm – completed in the period; and
 - Yaloak and Mount Gellibrand wind farms – commenced in the period.
- Improved revenue and profitability from existing contracts; and
- Labour hire service added new external revenue during the period.

This improved performance was supported by the movement of assets to the East Coast following the closure of an unprofitable depot in Western Australia in the second half of FY17.

The increased revenue was delivered from the existing overhead structure and did not require any significant additional overhead cost. This was reflected in increased operating margins and profitability recorded in the period.

Cash Flow

Cash flow from operating activities was \$2.5 million (FY17 H1: \$3.0 million) which included a tax refund of \$4.5 million received in the period (FY17 H1: \$4.5 million). Working capital was adversely impacted by the timing of work performed on major projects. Operating cash flows are expected to strengthen in the second half of the year.

Capital expenditure in the period was \$2.7 million (FY17 H1: \$1.7 million) which was partially funded by the proceeds from asset sales of \$1.2 million (FY17 H1: \$1.7 million). Cash flow from financing activities was a net outflow of \$1.5 million reflecting a small reduction of debt in the period (FY17 H1: out flow of \$3.6 million).

Balance Sheet

Net assets increased to \$146.7 million (30 June 2017: \$145.9 million). Gross debt owed under borrowing facilities was \$45.8 million (net of \$0.6 million of prepaid borrowing costs) which is down from \$46.5 million (net of \$0.7 million prepaid borrowing costs) at 30 June 2017. Gearing (net debt / total equity) reduced slightly in the period to 30% (30 June 2017: 31%).

DIRECTORS' REPORT (continued)

Auditor's Independence Declaration to the Directors

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

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 under ASIC Corporations Instrument 2016/191. The Group is of a kind to which the Corporations Instrument applies.

Signed in accordance with a resolution of the Directors.



Maxwell Findlay
Chairman



Brenden Mitchell
Managing Director

Melbourne, 20 February 2018



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Boom Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Boom Logistics Limited for the half-year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Paul J McDonald
Partner
Melbourne
20 February 2018

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

Consolidated Interim Income Statement
for the half-year ended
31 December 2017

	Note	2017 \$'000	2016 \$'000
Revenue	5	92,428	73,065
Other income	5	151	-
Salaries and employee benefits expense	5	(47,973)	(37,841)
Equipment service and supplies expense	5	(24,046)	(21,153)
Operating lease expense		(3,200)	(3,486)
Other expenses		(6,084)	(6,244)
Restructuring expense		-	(1,115)
Depreciation and amortisation expense	5	(8,874)	(8,859)
Impairment expense	5	-	(1,946)
		-----	-----
Profit / (loss) before financing expense and income tax		2,402	(7,579)
Financing expense	5	(2,054)	(1,895)
		-----	-----
Profit / (loss) before income tax		348	(9,474)
Income tax benefit / (expense)	8	10	(6)
		-----	-----
Net profit / (loss) attributable to members of Boom Logistics Limited		358	(9,480)
		=====	=====
Basic earnings / (losses) per share (cents per share)	13	0.08	(2.00)
Diluted earnings / (losses) per share (cents per share)	13	0.07	(2.00)

The accompanying notes form an integral part of the Consolidated Interim Income Statement.

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

Consolidated Interim Statement of Comprehensive Income
for the half-year ended
31 December 2017

	2017	2016
	\$'000	\$'000
Net profit / (loss) attributable to members of Boom Logistics Limited	358	(9,480)
	=====	=====
Other comprehensive income for the half-year, net of tax	-	-
	-----	-----
Total comprehensive profit / (loss) for the half-year attributable to members of Boom Logistics Limited	358	(9,480)
	=====	=====

The accompanying notes form an integral part of the Consolidated Interim Statement of Comprehensive Income.

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

Consolidated Interim Statement of Financial Position
as at
31 December 2017

	Note	31 December 2017 \$'000	30 June 2017 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,762	2,158
Trade and other receivables		41,577	30,372
Inventories		296	293
Prepayments and other current assets		3,145	1,542
Assets classified as held for sale	6	1,700	4,641
Income tax receivable		-	4,449
		-----	-----
TOTAL CURRENT ASSETS		48,480	43,455
		-----	-----
NON-CURRENT ASSETS			
Property, plant and equipment	6	173,876	177,626
		-----	-----
TOTAL NON-CURRENT ASSETS		173,876	177,626
		-----	-----
TOTAL ASSETS		222,356	221,081
		=====	=====
CURRENT LIABILITIES			
Trade and other payables		14,486	14,419
Interest bearing loans and borrowings	9	3,115	2,544
Provisions		8,501	7,952
Other liabilities		5,305	4,395
		-----	-----
TOTAL CURRENT LIABILITIES		31,407	29,310
		-----	-----
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	9	42,696	44,003
Provisions		1,537	1,885
Deferred tax liabilities		8	19
		-----	-----
TOTAL NON-CURRENT LIABILITIES		44,241	45,907
		-----	-----
TOTAL LIABILITIES		75,648	75,217
		=====	=====
NET ASSETS		146,708	145,864
		=====	=====
EQUITY			
Contributed equity	10	318,065	318,065
Retained losses		(172,966)	(173,324)
Reserves		1,609	1,123
		-----	-----
TOTAL EQUITY		146,708	145,864
		=====	=====

The accompanying notes form an integral part of the Consolidated Interim Statement of Financial Position.

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

Consolidated Interim Statement of Cash Flows
for the half-year ended
31 December 2017

	2017 \$'000	2016 \$'000
Cash flows from operating activities		
Receipts from customers	90,343	79,079
Payments to suppliers and employees	(90,490)	(78,608)
Interest paid	(1,767)	(1,887)
Interest received	3	13
Income tax received	4,449	4,448
	-----	-----
Net cash provided by operating activities	2,538	3,045
	-----	-----
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,689)	(1,700)
Proceeds from the sale of plant and equipment	1,219	1,672
	-----	-----
Net cash used in investing activities	(1,470)	(28)
	-----	-----
Cash flows from financing activities		
Proceeds from borrowings	4,979	40,935
Repayment of borrowings	(6,443)	(43,530)
Payment of transaction costs related to borrowings	-	(1,020)
	-----	-----
Net cash used in financing activities	(1,464)	(3,615)
	-----	-----
Net (decrease) in cash and cash equivalents	(396)	(598)
Cash and cash equivalents at the beginning of the period	2,158	1,756
	-----	-----
Cash and cash equivalents at the end of the period	1,762	1,158
	=====	=====

The accompanying notes form an integral part of the Consolidated Interim Statement of Cash Flows.

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

Consolidated Interim Statement of Changes in Equity
for the half-year ended
31 December 2017

	Issued Capital \$'000	Retained Earnings \$'000	Cash Flow Hedge Reserve \$'000	Employee Equity Benefits Reserve \$'000	Total Equity \$'000
At 1 July 2016	318,065	(150,694)	-	751	168,122
Loss for the half-year	-	(9,480)	-	-	(9,480)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	(9,480)	-	-	(9,480)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	107	107
At 31 December 2016	318,065	(160,174)	-	858	158,749
At 1 July 2017	318,065	(173,324)	-	1,123	145,864
Profit for the half-year	-	358	-	-	358
Other comprehensive income	-	-	-	-	-
Total comprehensive profit	-	358	-	-	358
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	486	486
At 31 December 2017	318,065	(172,966)	-	1,609	146,708

The accompanying notes form an integral part of the Consolidated Interim Statement of Changes in Equity.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

1. Corporate Information

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the Directors on 20 February 2018.

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

The Group is a for profit entity and the nature of its operations and principal activity was the provision of lifting solutions.

2. Basis of Preparation and Accounting Policies

This general purpose condensed financial report for the half-year ended 31 December 2017 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual financial report as at and for the year ended 30 June 2017.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2017 and considered together with any public announcements made by Boom Logistics Limited during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period with the exception of an amendment to the revenue recognition accounting policy to recognise the treatment of wind farm contracts as set out below:

Revenue from the installation of wind towers is recognised by reference to the stage of completion. The stage of completion is measured by reference to the wind tower units completed to date as a percentage of the total wind tower units under the contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

3. Critical Accounting Estimates and Judgements

The preparation of the half-year financial report ended 31 December 2017 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Going concern assumption

The Directors continue to adopt the going concern basis in preparing the half-year financial report. The Directors have assessed the forecast trading results and cash flows, taking into account reasonably possible changes in trading performance. These forecasts, which are based on best-estimate assumptions that are subject to influences and events outside the control of the consolidated entity, indicate that the consolidated entity will continue to operate within the level and terms of its debt facilities.

Impairment testing of property, plant and equipment including assets classified as held for sale

The Group tests semi-annually whether property, plant and equipment including assets classified as held for sale have suffered any impairment, in accordance with the accounting standards. The recoverable amounts of property, plant and equipment under their cash-generating units and assets classified as held for sale have been determined based on their fair value less costs to sell. Refer to note 7.

Tax balances

Judgement and estimation is required over the calculation and recognition of current and deferred tax balances. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets, liabilities and expense/benefit in the period in which such determination is made.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the losses continue to be available having regard to their nature and timing of origination. Utilisation of tax losses also depends on the ability of the Group to satisfy certain tests at the time the losses are recouped.

Useful lives and residual values of property, plant and equipment

The Group determines the estimated useful lives of assets and related depreciation charges for its property, plant and equipment based on projected capital equipment lifecycles for periods up to twenty years based on useful life assumptions.

Residual values are determined based on the value the Group would derive upon ultimate disposal of the individual piece of property, plant and equipment at the end of its useful life. The achievement of these residual values is dependent upon and could be impacted as a result of the industrial cycle.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

3. Critical Accounting Estimates and Judgements (continued)

Useful lives and residual values of property, plant and equipment (continued)

Management will increase the depreciation charge where useful lives are less than previously estimated lives or there is indication that residual values can not be achieved.

Assets classified as held for sale measurement

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value was determined based on an independent valuation reflecting the expected timing of disposals in conjunction with the Group's sales history of comparable assets.

Onerous operating lease contracts

The Group has non-cancellable operating leases entered into in previous years. Due to changes in operating activities, the Group stopped using the premises which resulted in surplus leased space. The provision for surplus leased space has been determined based on the discounted future lease payments, less any expected sub-lease income, from the date of lease expiry to current financial year.

4. Segment Reporting

Description of operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resource allocation and to assess performance.

The business is considered from a product perspective and has two reportable segments:

- "Lifting Solutions", which consists of all lifting activities including the provision of cranes, travel towers, access equipment and all associated services; and
- "Labour Hire", which includes the provision of skilled labour with a wide range of trades, such as, electricians, boiler makers, mechanics, plus the traditional crane and travel tower operators, riggers, truck drivers. This reportable segment commenced operations in September 2016.

The segment information provided to the CODM is measured in a manner consistent with that of the financial statements.

All inter-segment sales are carried out at arm's length prices.

Boom Logistics Limited is domiciled in Australia and all core revenue is derived from external customers within Australia.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

4. Segment Reporting (continued)

Segment information

	Lifting Solutions \$'000	Labour Services \$'000	Other * \$'000	Elimination \$'000	Consolidated \$'000
<i>Half-year ended: 31 December 2017</i>					
Segment revenue					
External customers	90,297	2,128	-	-	92,425
Inter-segment	-	10,690	-	(10,690)	-
Total segment revenue	90,297	12,818	-	(10,690)	92,425
Interest income from other persons/corporations					3
Total revenue					92,428
Segment result					
Operating result	13,721	956	(3,555)	-	11,122
Net profit on disposal of property, plant and equipment	151	-	-	-	151
Depreciation and amortisation	(8,684)	(4)	(186)	-	(8,874)
Profit before net interest and tax	5,188	952	(3,741)	-	2,399
Net interest					(2,051)
Income tax benefit					10
Profit from continuing operations					358
Segment assets and liabilities					
Segment assets	218,946	2,522	2,979	(2,091)	222,356
Segment liabilities	67,723	895	7,030	-	75,648
Additions to non-current assets	2,626	-	625	-	3,251

* Other represents centralised costs which include national service functions.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

4. Segment Reporting (continued)

Segment information (continued)

	Lifting Solutions \$'000	Labour Services \$'000	Other * \$'000	Elimination \$'000	Consolidated \$'000
<i>Half-year ended: 31 December 2016</i>					
Segment revenue					
External customers	72,912	140	-	-	73,052
Inter-segment	-	1,634	-	(1,634)	-
	-----	-----	-----	-----	-----
Total segment revenue	72,912	1,774	-	(1,634)	73,052
Interest income from other persons/corporations					13

Total revenue					73,065
					=====
Segment result					
Operating result	8,380	(194)	(3,796)	-	4,390
Net loss on disposal of property, plant and equipment	(62)	-	-	-	(62)
Depreciation and amortisation	(8,107)	(3)	(749)	-	(8,859)
Restructuring expense	(1,115)	-	-	-	(1,115)
Impairment of assets classified as held for sale	(1,946)	-	-	-	(1,946)
	-----	-----	-----	-----	-----
Loss before net interest and tax	(2,850)	(197)	(4,545)	-	(7,592)
	-----	-----	-----	-----	-----
Net interest					(1,882)
Income tax expense					(6)

Loss from continuing operations					(9,480)
					=====
<i>Year ended: 30 June 2017</i>					
Segment assets and liabilities					
Segment assets	212,252	4,077	7,533	(2,781)	221,081
Segment liabilities	68,932	775	5,510	-	75,217
	-----	-----	-----	-----	-----
Additions to non-current assets	3,457	65	465	-	3,987

* Other represents centralised costs which include national service functions.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

Note	2017 \$'000	2016 \$'000
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5. Revenue And Expenses

(a) Revenue from continuing operations

Revenue from services	92,425	73,052
Interest income from other persons/corporations	3	13
	-----	-----
Total revenue	92,428	73,065
	=====	=====

(b) Other income

Net profit on disposal of plant and equipment	(i) 151	-
	-----	-----
Total other income	151	-
	=====	=====

(i) \$62k loss on disposal of plant and equipment was incurred in prior year and recognised under other expenses.

(c) Expenses

Salaries and employee benefits	44,843	35,335
Defined contribution superannuation expense	3,130	2,506
	-----	-----
Total salaries and employee benefits expense	47,973	37,841
	=====	=====

External equipment hire	4,843	4,133
External labour hire	5,032	3,942
Maintenance	5,314	4,876
Fuel	1,470	1,393
External transport	3,480	3,656
Employee travel and housing	512	643
Other reimbursable costs (on-charged to customers)	1,269	566
Other equipment services and supplies	2,126	1,944
	-----	-----
Total equipment services and supplies expense	24,046	21,153
	=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

Note	2017 \$'000	2016 \$'000
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5. Revenue And Expenses (continued)

(c) Expenses (continued)

Depreciation of property, plant and equipment	6	8,874	8,398
Amortisation of intangible assets - software development costs		-	461
		-----	-----
Total depreciation and amortisation expense		8,874	8,859
		=====	=====
Impairment of assets classified as held for sale		-	1,946
		=====	=====
Interest expense		1,483	1,449
Borrowing costs - amortisation (non-cash)		165	138
Borrowing costs - other		406	308
		-----	-----
Total financing expense		2,054	1,895
		=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

6. Assets Classified as Held For Sale & Property, Plant and Equipment	Note	Rental	Motor	Machinery,	Freehold	Subtotal	Assets	Total
		Equipment	Vehicles *	Furniture, Fittings & Equipment	Land & Buildings		Classified as Held For Sale	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Half-year ended 31 December 2017</i>								
Carrying amount at beginning net of accumulated depreciation and impairment		169,121	4,879	699	2,927	177,626	4,641	182,267
Additions		2,255	328	668	-	3,251	-	3,251
Disposals		(13)	(138)	(59)	-	(210)	(858)	(1,068)
Transfers		(11)	(202)	213	-	-	-	-
Transfer to / from assets held for sale		2,105	(22)	-	-	2,083	(2,083)	-
Depreciation charge for the year	5	(7,399)	(1,099)	(314)	(62)	(8,874)	-	(8,874)
		-----	-----	-----	-----	-----	-----	-----
Carrying amount at end net of accumulated depreciation and impairment		166,058	3,746	1,207	2,865	173,876	1,700	175,576
		=====	=====	=====	=====	=====	=====	=====
<i>Closing balance at 31 December 2017</i>								
At cost		353,089	18,445	8,249	3,120	382,903	7,123	390,026
Accumulated depreciation		(187,031)	(14,699)	(7,042)	(255)	(209,027)	(5,423)	(214,450)
		-----	-----	-----	-----	-----	-----	-----
Net carrying amount		166,058	3,746	1,207	2,865	173,876	1,700	175,576
		=====	=====	=====	=====	=====	=====	=====

* Motor vehicles represent prime movers, trailers and forklifts.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

7. Impairment

Under the requirements of AASB 136: Impairment Testing, an impairment charge is required to be recognised when the carrying value of assets is greater than their recoverable amount for any particular Cash Generating Unit ("CGU"). Cash Generating Units are measured on a state based operational level.

The carrying values of the CGU's fixed assets were tested at 31 December 2017 by reference to management's assessment of their fair value less costs to sell. Fair value was determined after considering information from a variety of sources including a valuation obtained from an independent valuer dated 7 December 2017. The Group did not make any allowance for costs to sell as they were deemed immaterial given the Group's in house expertise and track record of successful asset sales. The Group has classified the assessment as Level 2 in the fair value hierarchy (as per AASB 13) where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly". Based on the independent valuation dated 7 December 2017, the carrying values of the CGU's fixed assets were not greater than their recoverable amounts.

	Note	2017 \$'000	2016 \$'000
8. Income Tax			
A reconciliation between expense and the accounting profit / (loss) before income tax (multiplied by the Group's applicable income tax rate) is as follows:			
Accounting profit / (loss) before tax from continuing operations		348	(9,474)
At the Group's statutory income tax rate of 30% (2016: 30%)		104	(2,842)
Expenditure not allowable for income tax purposes		21	20
Adjustments in respect of current income tax of previous years		(10)	17
Current year losses for which no deferred tax asset is recognised		-	2,811
Previously unrecognised tax losses now recouped to reduce current tax expense		(125)	-
		-----	-----
Income tax (benefit) / expense reported in the consolidated interim income statement		(10)	6
		=====	=====

As at 31 December 2017, the Group has unused tax losses of \$20.896 million (30 June 2017: \$21.021 million) that have not been recognised as a deferred tax asset based on an assessment of the probability that sufficient taxable profit will be available to allow the tax losses to be utilised in the near future. The unused tax losses remain available indefinitely.

The Group has recognised \$7.547 million (30 June 2017: \$7.887 million) of unused tax losses where it was deemed sufficient taxable profit will be available to allow the tax losses to be utilised in the near future.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

	31 December 2017 \$'000	30 June 2017 \$'000
9. Interest Bearing Loans And Borrowings		
<i>Current</i>		
Finance leases	255	-
Other loans	2,860	2,544
	-----	-----
Total current interest bearing liabilities	3,115	2,544
	=====	=====
<i>Non current</i>		
Finance leases	307	-
Other loans	34,942	34,721
Secured bank loans	8,000	10,000
Prepaid borrowing costs	(553)	(718)
	-----	-----
Total non-current interest bearing liabilities	42,696	44,003
	-----	-----
Total interest bearing liabilities	45,811	46,547
	=====	=====

The following changes in interest bearing liabilities occurred during the half-year ended 31 December 2017:

Balance at 1 July 2017	46,547
<i>Drawdown</i>	
Other loans	2,562
Insurance premium funding	2,979
<i>Repayments</i>	
Repayment of borrowings	(6,443)
<i>Other movements</i>	
Net movement of finance costs	166

Balance as at 31 December 2017	45,811
	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

9. Interest Bearing Loans and Borrowings (continued)

Debt facilities

At reporting date, the Group had the following debt facilities:

Other loans

- A \$20 million, securitised trade receivables facility with Assetsecure with a termination date of 1 August 2019. The facility incurs a fixed fee and floating interest on funds drawn. There is no amortisation required over the life of this facility.
- An amortising asset finance facility with De Lage Landen Pty Limited with a termination date of 1 August 2021. The facility limit at 31 December 2017 was \$21,119,526 which includes a residual payment of \$10 million due on 1 August 2021. The facility attracts a fixed interest rate.

Secured bank loans

- A \$12.5 million, syndicated loan facility with NAB and ANZ with a termination date of 1 July 2019. The facility attracts a floating interest rate. The facility limit reduced to \$11.25 million on 1 January 2018. Further amortisation of the facility will be dependent on the earnings leverage ratio reported at the end of the quarter preceding 1 July and 1 January each period. The maximum amortisation is \$2.5 million at each 6 month period. Based on current ratios and forecasts the Company does not anticipate any further amortisation will be required.

Finance leases

- A \$0.6 million finance lease agreement with Telstra Corporation Limited for purchase of IT hardware with fixed payment terms and no residual.

				31 December 2017 \$'000	30 June 2017 \$'000
<i>Terms and debt repayment schedule</i>	Currency	Weighted average interest rate	Year of maturity	Carrying amount	
Syndicated debt	AUD	5.50%	July 2019	8,000	10,000
Trade receivables loan	AUD	6.67%	August 2019	16,682	15,008
Finance arrangement	AUD	6.55%	August 2021	21,120	22,257
Finance leases	AUD	5.28%	August 2020	562	-
Prepaid borrowing costs				(553)	(718)
Total interest bearing liabilities				45,811	46,547
				=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

9. Interest Bearing Loans and Borrowings (continued)

Covenant position

The Group was in compliance with all financial and non-financial banking covenants as at 31 December 2017.

Gearing ratio

The Group monitors debt levels on the basis of the balance sheet gearing ratio. This ratio is calculated as net debt divided by equity.

	31 December 2017 \$'000	30 June 2017 \$'000
Interest bearing loans and borrowings	46,364	47,265
Less: cash and cash equivalents	(1,762)	(2,158)
	-----	-----
Net debt	44,602	45,107
Total equity	146,708	145,864
	=====	=====
Gearing ratio	30%	31%

10. Contributed Equity

Issued and fully paid ordinary shares	318,065	318,065
---------------------------------------	---------	---------

	31 December 2017	
	No. of shares	\$'000
<i>Movements in ordinary shares on issue</i>		
Beginning and end of the half-year	474,868,764	318,065
	=====	=====

11. Dividends Paid and Proposed

There were no dividends paid or proposed during the half-year ended 31 December 2017.

12. Events After The Balance Sheet Date

Dividend

On 20 February 2018, the Directors of Boom Logistics Limited declared that no interim dividend would be paid for the half-year ended 31 December 2017.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

13. Earnings Per Share

	Note	2017 \$'000
Net profit after tax		358
		No. of shares
Weighted average number of ordinary shares used in calculating basic earnings per share		474,868,764
<i>Effect of dilutive securities:</i>		
- employee share awards	(i)	6,212,604

Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		481,081,368
		=====
Number of ordinary shares at half-year end		474,868,764
		=====
(i) Dilutive securities represent options granted to employees under the long term incentive plan and included in the calculation of diluted earnings per share assuming all vesting conditions are met.		

14. Contingencies

Contingent assets

Sherrin Hire Pty Ltd, a wholly owned subsidiary of Boom Logistics Ltd, has settled its legal claim relating to the 18 metre Glove and Barrier matter. The terms of settlement include re-imbursement of legal costs of circa. \$1.7 million. This contingent asset has not been recognised as a receivable at 31 December 2017 as receipt of the amount is dependent on the outcome of a court process.

Contingent liabilities

Performance guarantees totalling \$0.505 million have been provided in relation to wind farm construction projects. \$0.402 million of the guarantees expire prior to 30 June 2018 with the remaining balance expiring by 31 December 2018. There are no other contingent liabilities identified at 31 December 2017.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

15. Share-based Payments

The terms and conditions of the executive remuneration plans remain the same as at 30 June 2017.

Movements in the executive remuneration plans during the period are as follow:

(a) Salary sacrifice rights plan (SSRP)

At 31 December 2017, the carrying value of the salary sacrifice rights plan was \$284,539 (30 June 2017: \$159,718).

Information with respect to the number of rights granted under the salary sacrifice rights plan is as follows:

	31 December 2017		30 June 2017	
	Average fair value per right *	No. of rights	Average fair value per right *	No. of rights
At start of period	\$0.1070	711,207	-	-
Granted during the period	\$0.1130	1,100,538	\$0.1070	711,207
		-----		-----
At end of period	\$0.1110	1,811,745	\$0.1070	711,207
		=====		=====

* The average fair value per right at grant date represents the average of all participants 5 day volume weighted average market price of the Company's shares at the time the salary sacrifice occurred which typically happens on a monthly basis.

The potential rights to ordinary shares equivalent to the amount salary sacrificed in the period from the most recent grant date in August 2017 to 31 December 2017 will be granted following the announcement of the half-year results.

(b) Short term incentive plan (STIP)

At 31 December 2017, the carrying value of the short term incentive plan was \$195,517 (30 June 2017: \$nil).

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

15. Share-based Payments (continued)

(b) Short term incentive plan (STIP) (continued)

Information with respect to the number of rights granted under the short term incentive plan is as follows:

	31 December 2017		30 June 2017	
	Average fair value per right ^	No. of rights	Average fair value per right ^	No. of rights
At start of period	-	-	-	-
Granted during the period	\$0.1183	1,652,800	-	-
		-----		-----
At end of period	\$0.1183	1,652,800	-	-
		=====		=====

^ The average fair value per right at grant date represents the 5 day volume weighted average market price of the Company's shares after the release of 30 June 2017 full year results.

(c) Long term incentive plan (LTIP)

Options granted on 30 November 2017 have the following details:

Grant date	Expiry date	Exercise price	Performance hurdle	31 December 2017 Options
30 November 2017	30 September 2020	\$0.2120	EPS of \$0.025	11,083,896

Weighted average remaining contractual life of options outstanding at end of period 2.67 years.

Fair value of options granted

The assessed fair value at grant date of options granted was \$0.070 per option. The fair value at grant date was independently determined using the binomial valuation methodology taking into account the following factors:

- Options are granted for no consideration and vests based on the performance hurdles noted above;
- Grant date – 30 November 2017;
- Vesting date – 31 August 2020;
- Expiry date – 30 September 2020;
- Share price at grant date - \$0.200;
- Exercise price - \$0.212;
- Expected life – 2.8 years;

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2017

15. Share-based Payments (continued)

(c) Long term incentive plan (LTIP) (continued)

- Expected price volatility of the Company's shares – 55%;
- Risk-free interest rate – 1.87%;
- Expected dividend yield – 0%;

The expected price volatility is based on the historic volatility of the market price of the Company's share over the remaining life of the options, adjusted for any expected changes in future volatility due to publicly available information.

At 31 December 2017, the carrying value of the long term incentive plan was \$1,128,989 (30 June 2017: \$963,399), including the ordinary shares granted under the previous LTIP where the vesting conditions are still in progress.

Information with respect to the number of options granted under the LTIP is as follows:

	31 December 2017		30 June 2017	
	Average exercise price per option	No. of options	Average exercise price per option	No. of options
At start of period	\$0.1080	17,552,956	-	-
Granted during the period	\$0.2120	11,083,896	\$0.1080	17,552,956
		-----		-----
At end of period	\$0.1483	28,636,852	\$0.1080	17,552,956
		=====		=====

No options were vested and exercisable at the end of the period.

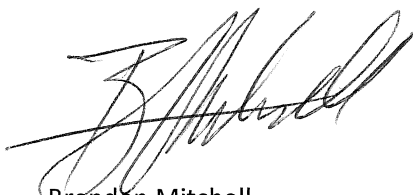
Directors' Declaration

1. In the opinion of the Directors of Boom Logistics Limited ("the Company"):
 - (a) the consolidated interim financial statements and notes that are set out on pages 7 to 27 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Maxwell Findlay
Chairman



Brenden Mitchell
Managing Director

Melbourne, 20 February 2018

Independent Auditor's Review Report

To the members of Boom Logistics Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Boom Logistics Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Boom Logistics Limited is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2017 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated interim statement of financial position as at 31 December 2017
- Consolidated interim statement of profit or loss, Consolidated interim statement of comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the Half-year ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Boom Logistics Limited (the Company and the entities it controlled at the Half year's end or from time to time during the Half-year.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Boom Logistics Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Paul J McDonald
Partner
Melbourne
20 February 2018