Boom Logistics Limited

Annual Report 2006

Corporate Directory

Directors

R John Robinson
Roderick G Harmon
Terrance A Hebiton
Jane M Harvey
Dr. Huw G Davies
Terrence C Francis
Mark A Lawrence

Company Secretary

Mark A Lawrence

Registered Office

Level 12, 390 St. Kilda Road
Melbourne, Victoria, 3004
Telephone (03) 9864 0200
Fax (03) 9864 0222

Internet Address

www.boomlogistics.com.au

Legal Advisers

Phillips Fox

Auditors

PKF Chartered Accountants

Share Register

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

Annual General Meeting

Friday, 20 October 2006
@ 10.00am
The Royce Hotel
379 St Kilda Road
Melbourne, Victoria

Boom Logistics Annual Report 2006

Contents

Chairman's Report 2006

At the close of last year's report, I commented on the positioning of the Company for further growth. I referred to the acquisition of Sherrin Hire, which was settled on 8 August 2005, as an opportunity for developing an even stronger base for the future. I am pleased to report that the past year has seen much of that potential realised, although there remains considerable scope for additional cross business synergy and organic growth. The recently announced acquisition of the James Group further broadens these opportunities, as outlined later in this report.

For the year under review, the Company's Net Profit after Tax more than doubled to $33.1 million. Earnings per share grew by 46% to 21.8 cents, reflecting full year contributions from businesses acquired during the previous 12 months, together with Sherrin Hire and Queensland based Camilleri Industries, acquired in August 2005 and April 2006 respectively. Organic growth across the Company contributed some 13% to increased earnings. Importantly strong earnings growth was underpinned by a solid increase in operating margins.

It was particularly pleasing that strong financial performance was accompanied by a 30% improvement in safety performance in terms of Lost Time Injury Frequency Rate. This follows a 50% reduction in the previous 12 months and reflects a continuing strong focus on occupational health and safety issues.

The past year's performance and the platform for further growth in the year ahead has been largely funded by a combination of strong operating cash flows and new equity, with $151 million raised through share placements and the Share Purchase Plan. The net debt to equity ratio at 30 June 2006 was a low 37%, providing ample capacity for the August 2006 James Group purchase referred to above.

The combination of a larger capital base and strong share price growth during the year resulted in Boom entering the ASX 200 index in March 2006. This raises our market profile and indicates the progress made since our ASX listing as a junior stock back in October 2003.

Since listing, the Company's Board has adopted a policy of returning 50% of after tax earnings to shareholders through dividends. I am pleased to report that with the strong growth in earnings a fully franked final dividend of 5.2 cents per share will be paid on 21 September 2006 to shareholders registered on 31 August 2006. This brings the full year dividend to a fully franked 10.4 cents per share, representing an increase of 51% in dividends over the previous 12 months.

In looking ahead to Financial Year 2007 the Company is well placed to generate further earnings growth. Acquisitions over the past two years have diversified both our geographical spread in Australia and our earnings base. Last year some 70% of our income was derived from maintenance support, with over half of that from general industrial activity and the balance from servicing the resources industry. The remaining 30% is shared between non-residential and engineering/civil construction. With continuing growth prospects in those areas that we service and a solid underpinning of "Blue Chip" clients we can look forward with some confidence.

The acquisition of the James Group in August 2006 is also an important element in our earnings growth strategy and further broadens our income base. The James Group operates nationally and derives income from the “Dry Hire” of its fleet of 70 cranes. The primary source of income, however, is the sale of new and used cranes through the sole Australia wide distribution agency for Tadano cranes. Tadano is a well regarded Japanese crane manufacturer offering a comprehensive range of machines through a world-wide presence. This acquisition presents Boom with considerable scope for intra business synergy. Further detail on this acquisition is provided in the Managing Director’s Report.

Dealing with Board matters, Doug Williams, a founding director of Boom retired earlier this year. Doug established Sutville, a Tower crane company and one of the five crane businesses that provided the foundation of Boom Logistics in February 2002. He was appointed a director at that time and has brought a depth of industry knowledge to Board discussions. His contribution will be missed.

On a more positive note I was pleased to announce that Mark Lawrence had been appointed as Finance Director, effective from the start of the new Financial Year. Mark has played an important part in the Company’s success in his role as Chief Financial Officer and Company Secretary and he will make a valuable contribution as an executive director.

I would like to conclude by acknowledging the Company’s management and employees under the leadership of Rod Harmon, the Company’s Managing Director. Boom’s rapid progress has required the smooth integration of acquired businesses and the generation of ongoing organic growth, whilst maintaining a strong focus on service delivery to our customers. The progress in creating shareholder value bears testimony to the abilities and dedication of the Company’s workforce at all levels.

John Robinson
Non-Executive Chairman

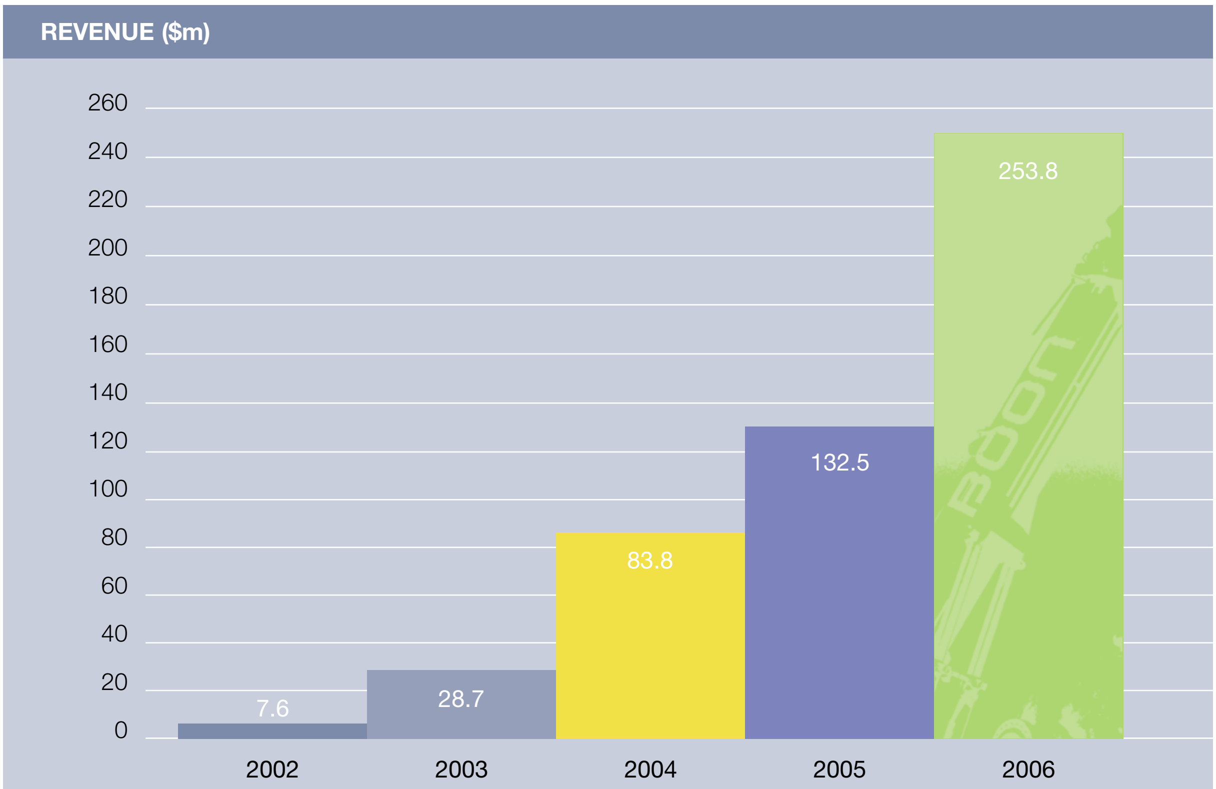
Managing Director's Report

This year Boom Logistics made substantial progress in consolidating its position as the premier lifting solutions provider in Australia, with significant growth across all aspects of the business.

Importantly, we were also able to broaden our service offering to customers as a consequence of the Sherrin Hire acquisition.

Our full year revenue of $253.8 million was 97% above last year's result of $132.5 million, reflecting the benefit of acquisitions made during the year and supported by an underlying organic growth rate of 13%. This strong business growth has resulted in a full year net profit after tax of $33.14 million, representing an increase of 111% over last year's result of $15.73 million.

We have continued to invest in the future growth of the Company with a total capital spend for the year of $223m. $65.6m was internally invested in new and upgraded equipment to support ongoing organic growth and $157.5m invested in the acquisitions of Sherrin Hire and Camilleri Industries Pty Ltd, a crane hire business located in Mackay, North-east Queensland. In addition, we were pleased to announce on the 28th July 2006 the acquisition of the James Group of companies which further extends our crane services offer as well as providing a new and used cranes sales capability including an exclusive national Tadano distribution agency.



$m	2006	2005	% change
Financial performance			
Operating Revenue	253.8	132.5	92%
EBITDA	76.4	32.3	137%
EBIT	56.1	25.0	124%
Net Profit After Tax	33.1	15.7	111%
NOPAT %	13.1%	11.8%	1.3%
Financial ratios			
Earnings per share (cents)	21.8	14.9	46%
Dividend per share (cents)	10.4	6.9	51%
Interest Cover (times)	7.1	8.2	-13%
Net debt/ equity	37%	59%	-22%

Careful capital management during the year has maintained a strong balance sheet, with a gearing level of 37% at year end and interest cover at 6 times.

In developing our business, we continue to focus on delivering value to our customers through the provision of innovative bundled quality services. Our strategic focus continues to position the company to organically benefit from key growth market sectors supplemented by further carefully targeted acquisitions. Through deliberate diversification we continue to balance our end user market segmentation to maximise returns, and mitigate any industry specific downturns. The nature of our equipment and national foot print also allows the company further flexibility in allocation of assets across industry sectors, to meet any shifts in customer demand.

Our extensive portfolio of equipment in both wet and dry hire form provides the company with a unique offer that can be tailored to meet the specific requirements of our customers. The inclusion of national access equipment provider Sherrin Hire into Boom, as mentioned, has provided the opportunity to widen our market offer whilst also providing a second platform for growth.

A very pleasing aspect of our performance was the year on year improvement in our safety performance with a 30% improvement in our Lost Time Injury Frequency Rate.

The diversity of our market segments and geographical foot print, coupled with a strong customer value proposition, will provide the company with additional growth opportunities next financial year. We will continue to seek out acquisitions that improve our service offering and add shareholder value, whilst continuing to promote organic growth through maximising cross business synergy and operating efficiency.

On behalf of myself and the executive management team, I would like to thank our shareholders and customers for their support throughout the year. Particularly we would like to recognise and thank our many loyal, professional and committed employees who continue to deliver success for the company.

Rod Harmon
Managing Director

Company Profile

Background

Boom listed on the ASX in October 2003. Its objective is to provide superior lifting solutions capability to Australian Industry. Boom maintains a national presence and is estimated to have a 19% market share of the crane hire market and 9% market share of the broader hire market.

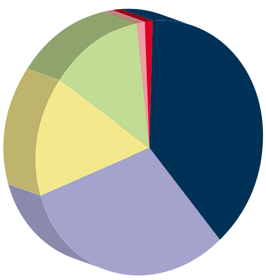
Services

The Company provides a range of lifting services including:

- Managed Lifting Solutions.
- Contractual Maintenance Arrangements.
- Crane Integration for Commercial Construction.
- Engineering Services and Maintenance.
- Equipment Hire.
- Logistics and Transport
- New and Used Crane Sales

Sales by Industry Sector

Industrial Maintenance	39%
Resources Maintenance	31%
Non Residential Construction	15%
Engineering/ Civil Construction	13%
Government/ Defence Maintenance	1%
Other Dwellings	1%



Business Scope

The Company

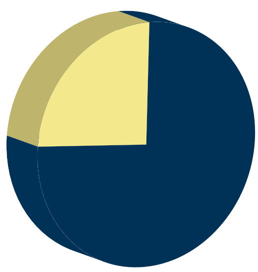
- Operates nationally from 53 depots.
- Headquartered in Melbourne.
- Employs 1,204 staff.
- 551 Cranes ranging from 5 – 400 tonne.
- Over 2000 items of general access and other equipment.
- Services the following sectors:
  - Industrial Maintenance
  - Resources Maintenance
  - Non Residential Construction
  - Engineering/ Civil Construction
  - Government/ Defence Maintenance
  - Other Dwellings

Competitive Strengths

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

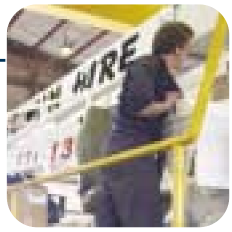
Revenue Mix

Wet Hire 76%
Dry Hire 24%



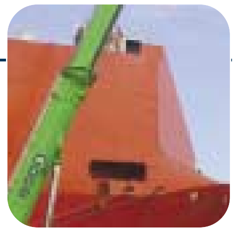
Key Achievements for the year

August 2005



- Acquisition of Sherrin Hire

March 2006

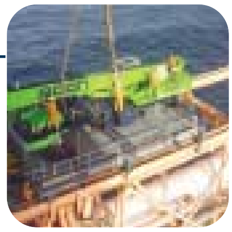


- $70m institutional placement
- Entry into ASX 200

April 2006

- Acquisition of Camilleri Industries Australia, Queensland

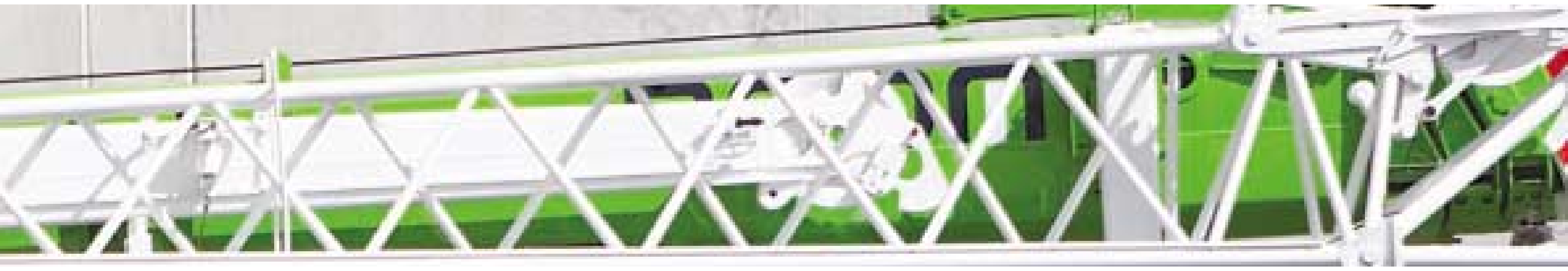
June 2006



- 46% EPS increase from June 2005
- 80% increase in market capitalization since 30 June 2005
- Underlying 13% organic growth
- 30% improvement in LTIFR
- Substantial growth in organisational capability

	June 05	June 06	% change
Employees	663	1,204	82%
Cranes	354	551	56%
Depots	23	53	130%

Operational Review



Background

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

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

Boom's strategic plan focuses on:

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

Our people

In line with our rate of growth we have continued to grow our workforce from 663 employees in 2005 to 1,204 in June 2006, covering a wide range of disciplines including:

- Equipment Operators
- Riggers and Dogmen
- Fitters and Mechanics
- Truck Drivers
- Sales and Supervisors
- Engineers
- Safety Professionals
- Management

During the financial year we have focussed on further developing our people with the provision of in house and external training programmes including:

- Operator training and ticketing
- Management development courses
- Apprenticeship programmes

These programmes will be further enhanced over the next 12 months as an integral part of our focus on improving the competency of our employees and providing higher levels of job satisfaction and career opportunities.

Senior Managment Team

Top & Left to right:
Alex Pagonis – General Manager – QLD, Frank Legena – National Manager Quality Safety & Risk,
Mark Apthorpe – General Manager – NSW
Bottom & Left to right:
Brian Praetz – General Manager – WA, Mark Lawrence – Finance Director,
Rod Harmon – Managing Director, Steven Goulding – General Manager – Sherrin Hire,
Brenton Salleh – General Manager - VIC

Occupational Health, Safety, Environment & Quality

Our ultimate objective remains the achievement of an injury free workplace and in the last 12 months we have continued to progress towards this goal. This year in the base Boom crane business we achieved a 30% improvement in our Lost Time Injury Frequency Rate (LTIFR) through the following initiatives:

- Ongoing leadership from the national safety work practice group.
- Standardisation of best practice safety procedures, forms and policies.
- National accreditation to Quality Standard ISO 9001:2000.
- Implementation of a national incident reporting and management system – Trilogy.
- Implementation of a national risk register.

Sherrin Hire, at the time of being acquired, had a higher LTIFR than the base Boom crane business. The immediate focus is to improve and align Sherrin Hire's safety performance with the base Boom crane business.

Customer Service

Over the past year Boom has enhanced its provision of lifting solutions to customers through the following initiatives:

- Increased crane fleet from 354 cranes to 551 ranging from 5 tonne to 400 tonne.
- Increased investment in its heavy haulage capability.
- The integration of the Sherrin Hire product range which includes:
  - Travel Towers
  - Access Equipment
  - Material Handlers
- Increased depot network from 23 to 53 providing greater national coverage.
- Enhancement of risk management capabilities through the refinement of Boom's integrated management systems.

Our commitment to an injury free workplace is a core objective of our company.

Operational Review

Divisional Overview

Headquartered in Melbourne, Boom Logistics has a national network of operations serving both regional and capital city markets.

Western Australia

We have a large crane services network throughout Western Australia with a relatively smaller Sherrin Hire presence. Depots are located at Welshpool, Bunbury, Kwinana, Kalgoorlie, Geraldton, Karatha, Mt. Newman and Port Hedland.

During the year we further enhanced our presence and product offer in Western Australia with the addition of a heavy haulage capability.

We experienced strong demand off the back of a strong Western Australian economy and expect this to continue into the next financial year.

Victoria

We provide a complete range of services in Victoria from depots based in the Latrobe Valley, Braeside, Laverton, Altona and Geelong. The Tower division, which services the national construction industry, is also based out of Victoria.

Modest growth was achieved in Victoria following a softening in the high rise construction market in the second half of the financial year. This softness in the tower division was partly offset by stronger demand from the engineering and petrochemical sectors.

We anticipate further improvement in this region next financial year.

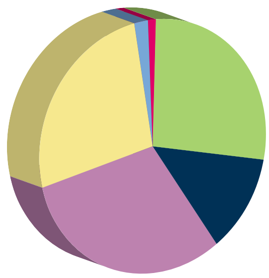
Tasmania

Sherrin Hire operates in Tasmania from depots located in Hobart, Burnie and Launceston.
The operations are focussed on the hydro power, electricity authorities, telecommunications and mining sectors.

Demand is anticipated to remain constant next financial year.

Geographical Segmentation Revenue Total $ 254m

NSW 26%	VIC 12%	SA 2%
QLD 31%	WA 28%	TAS 1%



South Australia

Sherrin Hire services are provided from depots located in Adelaide and Whyalla. The Adelaide highrise construction market is also serviced by our tower crane division in Melbourne.

We would expect this year's solid growth to continue into next year.

New South Wales

We provide a complete range of services including cranes, heavy haulage, rigging and Sherrin Hire products throughout this region from depots located in the Hunter Valley, Newcastle, Sydney and Wollongong.

We expect solid growth to continue, underpinned by strong activity in the coal producing areas of the Hunter Valley.

Queensland

We experienced solid demand for Boom and Sherrin Hire services during the year and expect this to continue next financial year.

During the year our Queensland operations were also enhanced by the acquisition of Camilleri Industries, based in Mackay. We maintain an extensive network of Sherrin Hire and Boom depots at Eagle Farm, Toowoomba, Beenleigh, Moranbah, Blackwater, Dysart, Mackay, Brisbane, Gladstone, Townsville, Ipswich, Gold Coast and Sunshine Coast.

Queensland benefited from high levels of activity in resources, infrastructure, and industrial markets. This led to strong demand for our services in this state. We are confident that these activity levels and demand profile will continue next year.

Sherrin Hire

Boom Logistics extended its reach and service offer with the acquisition of Sherrin Hire Pty Ltd for an enterprise value of $130 million on 8 August 2005.

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

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

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

Sherrin Hire employs over 350 specialist staff and operates a fleet of over 2,000 pieces of equipment with 24 depots nationally.

Integration update

The integration of Sherrin Hire has gone to plan.

Achievements:
- Strong financial performance – has exceeded expectations.
- Amalgamation of Boom/ Sherrin Toowoomba & Kalgoorlie depots.
- Cross selling
  - Joint servicing of Port Waratah Coal terminal.
  - Developed cross promotional marketing material.
  - Ongoing cross referrals.
- Deployment/ cross over of equipment through respective customer networks.

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


BL 6631
SHERRIN

Corporate Governance

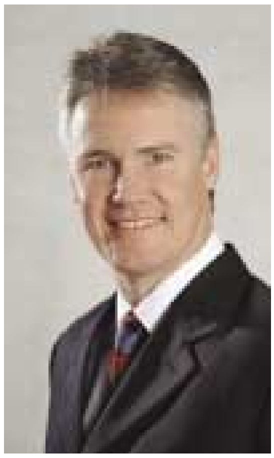
Board of Directors

R John Robinson (62)
BSc, MG Sc, F Aus IMM

Non-Executive Chairman
APPOINTED 15 NOVEMBER 2002

Roderick G Harmon (48)
B.App.Sc

Managing Director
APPOINTED 29 APRIL 2002



Mark A Lawrence (41)
B.Bus(Acc), ACA

Finance Director
APPOINTED 1 JULY 2006

Terrence C Francis (60)
B.E (Civil), MBA, FIE Aust, FAICD, MSME

Non-Executive Director
APPOINTED 13 JANUARY 2005

Jane M Harvey (51)
B.Com, MBA, FCA, FAICD

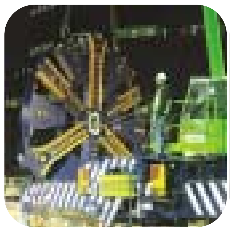
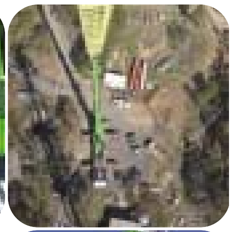
Non-Executive Director
APPOINTED 12 JULY 2005

Terrance A (Jack) Hebiton (55)

Non-Executive Director
APPOINTED 22 DECEMBER 2000

Dr Huw G Davies (65)
BSc (Hons), PhD (Geology)

Non-Executive Director
APPOINTED 15 NOVEMBER 2002


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

Board Composition

The Board currently has seven Members comprising five non-executive Directors and two executive Directors including the Managing Director. Four of the five non-executive Directors (including the Chairman) are independent Directors in compliance with ASX Corporate Governance Best Practice guidelines.

In compliance with the Constitution, Mr. Robinson and Dr. Davies being eligible, will stand for re-election at the Annual General Meeting.

As Mr. Lawrence was appointed to the Board during the year, he will only hold office until the end of this Annual General Meeting. He will stand for election at that time.

Corporate Governance

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

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

Corporate Governance

Directors' Shareholdings in the company

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

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

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

Board Committees

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

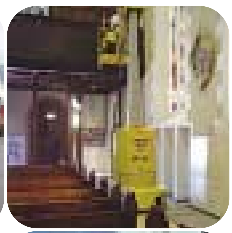
These committees do not in anyway diminish the overall responsibility of the Board for these functions.

Audit & Compliance Committee

The committee comprises three Non-executive Directors. The external audit partner of PKF Chartered Accountants, internal audit partner of RSM Bird Cameron, Managing Director, Finance Director and other management personnel attend these meetings by invitation.

The current members are:

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



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

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

During the year, RSM Bird Cameron, acting as the Company's internal auditors, undertook several internal control reviews within the business.

Nomination and Remuneration Committee

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

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

The responsibilities of the Nomination and Remuneration Committee include:

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

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

Corporate Governance

Occupational Health, Safety, Environment and Quality Committee

The committee comprises three Non-executive Directors. The Managing Director, Finance Director and the National Manager Quality, Safety & Risk attend these meetings by invitation.

The current members are:

- Mr John Robinson - Chairman
- Mr Jack Hebiton
- Mr Terrence Francis

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

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

Environmental Regulation

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

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

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

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

Code of Conduct and Company Policies

Under the Code of Conduct:

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


2006
BOOM
LOGISTICS

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

Managing Director
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.

Dr Huw G 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).

Jane Margaret Harvey
B.Com, MBA, FCA, FAICD

Non-Executive Director
APPOINTED 12 JULY 2005

Ms. Harvey is a former Partner of PricewaterhouseCoopers. She is currently a non-executive director of a number of organisations including 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.

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

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Mark Alan Lawrence
B.Bus(Acc), ACA

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.

Directors' Report

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
J. Robinson	104,272
R.G. Harmon	1,683,353
T.A. Hebiton	132,452
H.G. Davies	85,316
T. Francis	24,272
J. 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 & Remuneration Committee**		**Occupational, Health, Safety, Environment & Quality Committee**	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
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. 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.

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 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 report 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

Likely Future Developments and Expected Results

The directors foresee that the company will continue to benefit from further organic growth and acquisition initiatives during the 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 Managing Director against annual targets set by the Board;
- Reviewing remuneration packages for the Managing Director 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.

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 year point of each year. The final determination of FAR for each executive, as a percentage of the market median, takes account of individual performance and experience in the position. Executives have scope to vary the components that make up their FAR and can tailor their salary package to suit individual requirements.

Variable remuneration

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

(a) Short term incentive plan

The short term reward is determined by the 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.

Remuneration Report (continued)

Executive remuneration components (continued)

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 the September and the incentive cost is deducted from the financial results before determining the performance reward. No payment is made should results fall short of individual targets.

Individual performance measures are reset each year and are determined by the business drivers appropriate to each position. The Managing Director'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.

(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 Group 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 Managing Director 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 Managing Director 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 Managing Director.

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.

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.

Directors' Report

Remuneration Report (continued)

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.

	Short Term				Post Employment		Long Term	Total	
	Salary & Fees	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 25.

[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

Remuneration Report (continued)

Compensation of non-executive directors and key management personnel (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 the following page of the Directors' 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

PKF

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

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Annual Financial Statements
for the year ended 30 June 2006

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Income Statement Year Ended 30 June 2006

		CONSOLIDATED		PARENT	
	Note	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Revenue from ordinary activities	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	14.8		
Franked dividends per share (cents per share)	6	10.4	6.9		

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

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	-	-	7,864	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	18,671	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.

Cash Flow Statement Year Ended 30 June 2006

		CONSOLIDATED		PARENT	
	Note	2006 $'000	2005 $'000	2006 $'000	2005 $'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 at the beginning of the year		6,053	2,572	6,155	2,009
Cash 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.

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			
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.

(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.

(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.

2. Summary of Significant Accounting Policies (continued)

(i) Income tax (continued)

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.

(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.

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.

2. Summary of Significant Accounting Policies (continued)

(l) Goodwill (continued)

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.

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.

(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.

2. Summary of Significant Accounting Policies (continued)

(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.

(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.

(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.

	CONSOLIDATED		PARENT	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
3. Revenue and Expenses from Continuing Operations				
(a) Revenue				
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				
Salaries and employee benefits expense (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				
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:				
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

	CONSOLIDATED		PARENT	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
(b) Deferred income tax				
Deferred income tax at 30 June relates to the following:				
Consolidated				
*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

	CONSOLIDATED		PARENT	
	2006 $'000	2005 $'000	2006 $'000	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.

	CONSOLIDATED		PARENT	
	2006 $'000	2005 $'000	2006 $'000	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.

6. Dividends Paid And Proposed

(a) Dividends paid during the year

	Consolidated 2006	Consolidated 2005	Parent 2006	Parent 2005
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

	CONSOLIDATED		PARENT	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
(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

	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	PARENT 2006 $'000	PARENT 2005 $'000
(a) Reconciliation of cash				
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.

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

7. Cash and Cash Equivalents (continued)

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

		2006 $'000	2005 $'000	2006 $'000	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	2006 $'000	2005 $'000	2006 $'000	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.

9. Inventories (Current)

		2006 $'000	2005 $'000	2006 $'000	2005 $'000
Fuel at cost		302	188	190	129
Other inventory at net realisable value		46	169	-	123
Total current inventories		348	357	190	252

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

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

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:

	2006 $'000	2005 $'000	2006 $'000	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 assecurities for current and non current liabilities as disclosed in note 17.

14. Intangible Assets

(a) Opening balance at 1 July

	Note	2006 $'000	2005 $'000	2006 $'000	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.

(b) Closing balance at 30 June

	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Goodwill	46,441	10,851	12,228	3,856
Contractual rights (net carrying amount)	4,95	5,380	4,958	5,380
Total net carrying amounts	51,399	16,231	17,186	9,236

	CONSOLIDATED		PARENT	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
(c) Reconciliation				
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.

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:

- 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

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

15. Impairment Testing of Goodwill (continued)

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.

17. Interest Bearing Loans and Borrowings

	Note	Consolidated 2006 $'000	Consolidated 2005 $'000	Parent 2006 $'000	Parent 2005 $'000
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%.

	CONSOLIDATED		PARENT	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Financing facilities available				
At reporting date, the following financing facilities had been negotiated and were available:				
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
Assets pledged as security				
The carrying amounts of assets pledged as security for current and non current interest bearing liabilities are:				
- 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

	CONSOLIDATED		
	Employee Leave	Other *	Total
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

* Other represents credit note provisions.

18. Provisions (continued)

	PARENT		
	Employee Leave	Other *	Total
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.

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).

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

20. Contributed Equity

(a) Issued and paid up capital

	Note	2006 $'000	2005 $'000	2006 $'000	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

(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	2006 $'000	2005 $'000	2006 $'000	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

		CONSOLIDATED		PARENT	
	Note	2006 $'000	2005 $'000	2006 $'000	2005 $'000
22. Reserves					
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 Date of Acquisition Type of Acquisition	**Sherrin Hire P/L 8 August 2005 share purchase**		**Camilleri Industries Australia P/L 1 April 2006 asset purchase**		**Total Acquisitions Year Ended 30 June 2006**
	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

* 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.

Entity Date of Acquisition Type of Acquisition	**Sherrin Hire P/L** **8 August 2005** **share purchase**	**Camilleri Industries Australia P/L** **1 April 2006** **asset purchase**	**Total Acquisitions Year Ended 30 June 2006**
	Recognised on acquisition $'000	Recognised on acquisition $'000	Recognised on acquisition $'000
*(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

** 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.

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.

		CONSOLIDATED		PARENT	
	Note	2006 $'000	2005 $'000	2006 $'000	2005 $'000
(b) Payments for business combinations					
During the financial year, payments for business acquisitions were as follows:					
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

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

(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.

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

(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:

		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 rrecognised as liabilities are as follows:

		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	-

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

25. Employee Benefits and Commitments

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

(a) Employee benefits

	Note	Consolidated 2006 $'000	Consolidated 2005 $'000	Parent 2006 $'000	Parent 2005 $'000
The aggregate employee benefit liability is comprised of:					
- 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).

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.

	CONSOLIDATED		PARENT	
27. Auditors' Remuneration	2006 $'000	2005 $'000	2006 $'000	2005 $'000
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 Feary 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.

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

(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 2006	Consolidated 2005	Parent 2006	Parent 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 keymanagement personnel to the Directors' Report.

(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 remuneration**	**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**

* 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)

Ordinary shares held in Boom Logistics Limited (number) 30 June 2005	Balance 1 July 04	Granted as remuneration	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.

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 $'000	2005 $'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 $'000	2005 $'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 2001requirements 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:

30. Related Party Disclosure (continued)

(a) Entities subject to class order (continued)

Consolidated Income Statement	CLOSED GROUP 2006 $'000
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

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

	CLOSED GROUP as at 30 June 2006 $'000
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 $'000	2005 $'000	2006 $'000	2005 $'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

32. Financial Instruments (continued)

(a) Fair values (continued)

	Carrying amount		Fair value	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
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

(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%			

(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** **$'000**	**AIFRS Impact** **$'000**	**AIFRS** **$'000**	**AGAAP** **$'000**	**AIFRS Impact** **$'000**	**AIFRS** **$'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

		CONSOLIDATED			PARENT		
Balance Sheet As at 30 June 2005	**Note**	**AGAAP $'000**	**AIFRS Impact $'000**	**AIFRS $'000**	**AGAAP $'000**	**AIFRS Impact $'000**	**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

(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

John Robinson
Chairman

Roderick Harmon
Managing Director

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 24 to 30 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.

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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 24 to 30 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.