

**BOOM LOGISTICS LIMITED**

**ABN 28 095 466 961**

**Annual Financial Report  
for the year ended 30 June 2004**

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

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**Boom Logistics Limited**  
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**Statement of Financial Performance**  
Year Ended 30 June 2004

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Revenue from ordinary activities</b>	2	<b>83,757</b>	28,717	<b>64,734</b>	28,717
Salaries and employee benefits expense	3(a)	<b>(32,099)</b>	(9,824)	<b>(24,229)</b>	(9,824)
Equipment service and supplies	3(a)	<b>(25,951)</b>	(9,310)	<b>(20,213)</b>	(9,310)
Depreciation and amortisation expense	3(a)	<b>(4,410)</b>	(1,629)	<b>(2,903)</b>	(1,629)
Borrowing costs expense	3(a)	<b>(2,338)</b>	(1,489)	<b>(1,807)</b>	(1,489)
Other expenses from ordinary activities		<b>(5,721)</b>	(2,880)	<b>(4,239)</b>	(2,880)
<b>Profit from ordinary activities before income tax expense</b>		<b>13,238</b>	3,585	<b>11,343</b>	3,585
<b>Income tax expense relating to ordinary activities</b>	4	<b>(3,833)</b>	(1,008)	<b>(3,432)</b>	(1,008)
<b>Profit from ordinary activities after income tax expense</b>		<b>9,405</b>	2,577	<b>7,911</b>	2,577
<b>Net profit attributable to members of Boom Logistics Limited</b>		<b>9,405</b>	2,577	<b>7,911</b>	2,577
Transaction costs arising from public equity raising recognised directly in equity	19(iv)	<b>(3,334)</b>	-	<b>(3,334)</b>	-
<b>Total changes in equity other than those resulting from transactions with owners as owners attributable to members of Boom Logistics Limited</b>		<b>6,071</b>	2,577	<b>4,577</b>	2,577
Basic earnings per share (cents per share)	26	<b>11.9</b>	5.9		
Diluted earnings per share (cents per share)	26	<b>11.8</b>	5.9		
Franked dividends per share (cents per share)	5	<b>5.1</b>	-		

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

Boom Logistics Limited  
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Statement of Financial Position  
At 30 June 2004

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>CURRENT ASSETS</b>					
Cash assets	21(b)	2,572	883	2,009	883
Receivables	6	18,561	5,915	14,399	5,915
Inventories	7	124	21	36	21
Other current assets	8	1,636	1,770	1,371	1,770
<b>TOTAL CURRENT ASSETS</b>		<b>22,893</b>	8,589	<b>17,815</b>	8,589
<b>NON CURRENT ASSETS</b>					
Other financial assets	9	-	-	19,846	-
Property, plant and equipment	11	78,064	28,708	52,295	28,708
Deferred tax assets	4	1,283	270	1,283	270
Intangible assets	12	7,070	67	64	67
<b>TOTAL NON-CURRENT ASSETS</b>		<b>86,417</b>	29,045	<b>73,488</b>	29,045
<b>TOTAL ASSETS</b>		<b>109,310</b>	37,634	<b>91,303</b>	37,634
<b>CURRENT LIABILITIES</b>					
Payables	13	7,640	3,201	5,080	3,201
Interest bearing liabilities	14	8,374	4,365	5,812	4,365
Provisions	15	3,815	649	2,419	649
Tax liabilities	4	2,780	256	2,828	256
Other current liabilities	16	6,106	850	2,704	850
<b>TOTAL CURRENT LIABILITIES</b>		<b>28,715</b>	9,321	<b>18,843</b>	9,321
<b>NON CURRENT LIABILITIES</b>					
Interest bearing liabilities	14	26,905	16,764	20,197	16,764
Provisions	17	63	-	37	-
Deferred tax liabilities	4	1,567	788	1,567	788
Other non current liabilities	18	320	-	413	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>28,855</b>	17,552	<b>22,214</b>	17,552
<b>TOTAL LIABILITIES</b>		<b>57,570</b>	26,873	<b>41,057</b>	26,873
<b>NET ASSETS</b>		<b>51,740</b>	10,761	<b>50,246</b>	10,761
<b>EQUITY</b>					
Contributed equity	19	41,576	8,894	41,576	8,894
Retained profits	20	10,164	1,867	8,670	1,867
<b>TOTAL EQUITY</b>		<b>51,740</b>	10,761	<b>50,246</b>	10,761

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

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

Statement of Cash Flows  
Year Ended 30 June 2004

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers		74,374	29,626	56,325	29,626
Payments to suppliers and employees		(59,993)	(24,804)	(45,133)	(24,804)
Borrowing costs		(2,338)	(1,489)	(1,807)	(1,489)
Interest received		77	26	61	26
Income tax paid		(882)	-	(202)	-
<b>Net cash provided by operating activities</b>	21(a)	<b>11,238</b>	3,359	<b>9,244</b>	3,359
<b>Cash flows from investing activities</b>					
Payments for plant and equipment		(2,900)	(966)	(2,707)	(966)
Payments for business acquisitions net of cash acquired	21(e)	(21,282)	(3,600)	(21,666)	(3,600)
Proceeds from the sale of plant and equipment		550	83	536	83
<b>Net cash used in investing activities</b>		<b>(23,632)</b>	(4,483)	<b>(23,837)</b>	(4,483)
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		18,889	1,918	18,889	1,918
Proceeds from borrowings		2,610	2,000	2,610	2,000
Repayment of borrowings		(6,308)	(2,847)	(4,672)	(2,847)
Payment of dividends	5(a)	(1,108)	-	(1,108)	-
<b>Net cash provided by financing activities</b>		<b>14,083</b>	1,071	<b>15,719</b>	1,071
Net increase/(decrease) in cash held		1,689	(53)	1,126	(53)
Cash at the beginning of the period		883	936	883	936
<b>Cash at the end of the period</b>		<b>2,572</b>	883	<b>2,009</b>	883

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

**Boom Logistics Limited**  
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**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

**1. Summary of Significant Accounting Policies**

**(a) Basis of accounting**

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

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

**(b) Changes in accounting policies**

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

**(c) Principles of consolidation**

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

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

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

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

**(d) Cash and cash equivalents**

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

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

**(e) Receivables**

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

**(f) Recoverable amount**

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

**Boom Logistics Limited**  
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**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

**1. Summary of Significant Accounting Policies**

**(g) Plant and equipment**

All items of plant and equipment are stated at cost.

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

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

	<b>2004</b>
Mobile Cranes > 20T	<b>20 Years</b>
Tower Cranes	<b>20 Years</b>
Tower Sections / Frames	<b>20 Years</b>
Shiftleg Derricks	<b>20 Years</b>
Mobile Cranes < 20T	<b>10 Years</b>
Ancillary Equipment	<b>10 Years</b>
Office Equipment	<b>10 Years</b>
Workshop Equipment	<b>10 Years</b>
Leasehold Improvements	<b>Lesser of lease term or 10 Years</b>
Vehicles	<b>5 Years</b>
Computer Equipment	<b>3 Years</b>

**(h) Leases**

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

*Operating leases*

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

*Finance leases*

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

**(i) Intangibles**

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

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**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

**1. Summary of Significant Accounting Policies**

**(j) Payables**

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

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

**(k) Interest bearing liabilities**

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

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

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

**(l) Provisions**

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

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

**(m) Contributed equity**

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

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

**(n) Revenue recognition**

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

*Rendering of services*

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

*Interest revenue*

Control of the right to receive the interest receivable.



**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

**1. Summary of Significant Accounting Policies**

**(o) Taxes**

*Income taxes*

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

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

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

*Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except:

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

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

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

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

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

**(p) Employee benefits**

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

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

**Boom Logistics Limited**  
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**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

**1. Summary of Significant Accounting Policies**

**(q) Earnings per share (EPS)**

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

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

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

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

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

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

**(r) Borrowing costs**

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

**(s) Comparatives**

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

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**Notes to the Financial Statements**  
for the Year ended 30 June 2004

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>2. Revenue From Ordinary Activities</b>					
<b>(a) Revenue from operating activities</b>					
Revenue from services		83,130	28,608	64,137	28,608
<b>(b) Revenue from non operating activities</b>					
Interest income from other persons/corporations		77	26	61	26
Proceeds from disposal of plant and equipment		550	83	536	83
		-----	-----	-----	-----
Total revenues from non operating activities		627	109	597	109
		-----	-----	-----	-----
<b>Total revenues from ordinary activities</b>		<b>83,757</b>	<b>28,717</b>	<b>64,734</b>	<b>28,717</b>
		=====	=====	=====	=====
<b>3. Expenses and Losses/(Gains)</b>					
<b>(a) Expenses</b>					
Salaries and employee benefits expense		32,099	9,824	24,229	9,824
Equipment service and supplies		25,951	9,310	20,213	9,310
Borrowing costs		2,338	1,489	1,807	1,489
Depreciation expense		4,141	1,629	2,900	1,629
Amortisation expense		269	-	3	-
Operating leases		1,241	612	906	612
Bad and doubtful debts		92	24	43	24
<b>(b) Losses/(gains)</b>					
Net loss/(gain) on disposal of plant and equipment		(53)	10	(53)	10
<b>4. Income Tax</b>					
The prima facie tax, using tax rates applicable in the country of operation, on profit differs from the income tax provided in the financial statements as follows:					
Prima facie tax on profit from ordinary activities at 30%		3,971	1,075	3,403	1,075
Tax effect of permanent differences:					
- Amortisation of intangible assets		150	-	70	-
- Tax losses recouped		-	(124)	-	(124)
- Other deductible items		(219)	57	(225)	57
- Under/(over) provision of previous year		(69)	-	(69)	-
- Tax adjustment upon entry into tax consolidation and resetting tax values	4(a)	-	-	253	-
		-----	-----	-----	-----
Total effect of permanent differences		(138)	(67)	29	(67)
		-----	-----	-----	-----
Income tax expense attributable to ordinary activities		3,833	1,008	3,432	1,008
		=====	=====	=====	=====
<i>Deferred tax assets and liabilities</i>					
Current tax payable		2,780	256	2,828	256
Future income tax benefit		1,283	270	1,283	270
Provision for deferred income tax		1,567	788	1,567	788

**Boom Logistics Limited**  
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**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>4. Income Tax (continued)</b>					
<i>Tax consolidation</i>					
Effective 8 October 2003, for the purposes of income taxation, Boom Logistics Limited and its 100% owned subsidiaries formed a tax consolidation group. The head entity of the tax consolidation group is Boom Logistics Limited.					
There was no material effect on the future income tax benefit and the provision for deferred income tax liabilities as a result of the revised tax legislation. Boom Logistics Limited will formally notify the Australia Taxation Office of its adoption of the tax consolidation regime when lodging its 30 June 2004 consolidated tax return.					
In accordance with UIG Abstract 52 "Income Tax Accounting under the Tax Consolidation System", the head entity of the tax consolidation group being Boom Logistics Limited has recognised deferred tax amounts in relation to its wholly owned subsidiaries, measured by reference to the carrying amounts of the subsidiaries' assets and liabilities as at the level of the tax consolidated group and their tax values applying under tax consolidation.					
<b>5. Dividends Paid Or Provided For On Ordinary Shares</b>					
<b>(a) Dividends paid during the year</b>					
Fully franked interim dividends (1.2 cents per share)		1,108	-	1,108	-
<b>(b) Dividends proposed and not recognised as a liability</b>					
Fully franked final dividends (3.9 cents per share)		3,601	-	3,601	-
<b>(c) Franking credit balance</b>					
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% (2003: 30%)				2,540	-
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year				2,780	-
- Franking debits that will arise from the payment of dividends as at the end of the financial year				-	-
				5,320	-
				5,320	-
The tax rate at which paid dividends have been franked is 30%. Dividends proposed will be franked at the rate of 30%.					
<b>6. Receivables (Current)</b>					
Trade debtors		18,692	5,931	14,131	5,931
Provision for doubtful debts		(131)	(16)	(33)	(16)
		18,561	5,915	14,098	5,915
Amounts other than trade receivable from wholly owned controlled entities		-	-	301	-
		18,561	5,915	14,399	5,915
Total current receivables		18,561	5,915	14,399	5,915

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**Notes to the Financial Statements**  
for the Year ended 30 June 2004

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>7. Inventories (Current)</b>					
Fuel at cost		78	21	36	21
Other inventory at net realisable value		46	-	-	-
Total current inventories		124	21	36	21
<b>8. Other Current Assets</b>					
Prepayments		1,550	354	1,321	354
Other		86	1,416	50	1,416
Total other current assets		1,636	1,770	1,371	1,770
<b>9. Other Financial Assets (Non Current)</b>					
Controlled entities - unlisted	10	-	-	19,846	-
Total non current other financial assets		-	-	19,846	-
<b>10. Interests In Subsidiaries</b>					
Name	Country of incorporation	Percentage of equity interest held by the consolidated entity		Investment	
		2004 %	2003 %	2004 \$'000	2003 \$'000
Holt Industries Pty Ltd	Australia	100	-	15,896	-
Heavy Lift Cranes Australia Pty Ltd	Australia	100	-	3,950	-
Hilyte Australia Pty Ltd *	Australia	100	-	-	-
Total investment in subsidiaries				19,846	-
Nature of the entities acquired are predominately crane hire businesses. Refer to Note 21(e) for further acquisition details. * Investment is held by Holt Industries Pty Ltd.					
<b>11. Property, Plant and Equipment</b>					
<i>Leasehold improvements</i>					
At cost		134	37	134	37
Accumulated depreciation		(10)	(1)	(10)	(1)
		124	36	124	36
<i>Plant and equipment</i>					
At cost		39,386	13,327	30,355	13,327
Accumulated depreciation		(2,961)	(851)	(2,409)	(851)
		36,425	12,476	27,946	12,476

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**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>11. Property, Plant and Equipment (continued)</b>					
<i>Plant and equipment under lease</i>					
At cost		44,710	17,451	26,732	17,451
Accumulated depreciation		(3,195)	(1,255)	(2,507)	(1,255)
		-----		-----	
		41,515	16,196	24,225	16,196
		-----		-----	
<i>Total property, plant and equipment</i>					
At cost		84,230	30,815	57,221	30,815
Accumulated depreciation		(6,166)	(2,107)	(4,926)	(2,107)
		-----		-----	
Total property, plant and equipment		78,064	28,708	52,295	28,708
		=====	=====	=====	=====

**(a) Assets pledged as security**

Included in the written down balances of property, plant and equipment are assets over which first mortgages have been granted as security over bank loans (see Note 14). The terms of the first mortgages preclude the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder. The mortgages also require plant and equipment that form part of the security to be fully insured at all times.

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

The value of assets pledged as security are:

- Plant and equipment	28,469	12,512	28,070	12,512
- Plant and equipment under lease	41,515	16,196	24,225	16,196
	-----		-----	
Total value of assets pledged as security	69,984	28,708	52,295	28,708
	=====	=====	=====	=====

**(b) Reconciliations**

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

<i>Leasehold improvements</i>			
Carrying amount at beginning	36		36
Additions	85		85
Disposals	-		-
Additions through acquisition of entities/operations	12		12
Depreciation expense	(9)		(9)
	-----		-----
Carrying amount at end	124		124
	=====		=====
<i>Plant and equipment</i>			
Carrying amount at beginning	12,476		12,476
Additions	3,171		2,981
Disposals	(164)		(150)
Additions through acquisition of entities/operations	23,090		14,235
Depreciation expense	(2,148)		(1,596)
	-----		-----
Carrying amount at end	36,425		27,946
	=====		=====

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	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>11. Property, Plant and Equipment (continued)</b>					
<b>(b) Reconciliations (continued)</b>					
<i>Plant and equipment under lease</i>					
Carrying amount at beginning		16,196		16,196	
Additions		5,329		3,185	
Disposals		(472)		(472)	
Additions through acquisition of entities/operations		22,446		6,611	
Depreciation expense		(1,984)		(1,295)	
		-----		-----	
Carrying amount at end		41,515		24,225	
		=====		=====	
<b>12. Intangibles</b>					
Goodwill		7,261	-	-	-
Accumulated amortisation		(266)	-	-	-
		-----		-----	
		6,995	-	-	-
		-----		-----	
Formation Expenses		78	67	67	67
Accumulated amortisation		(3)	-	(3)	-
		-----		-----	
		75	67	64	67
		-----		-----	
Total intangibles		7,070	67	64	67
		=====	=====	=====	=====
<b>13. Payables (Current)</b>					
Trade creditors		6,130	3,039	4,033	3,039
Other creditors		1,510	162	878	162
		-----		-----	
		7,640	3,201	4,911	3,201
Amounts payable to wholly owned controlled entities		-	-	169	-
		-----		-----	
Total current payables		7,640	3,201	5,080	3,201
		=====	=====	=====	=====
<b>14. Interest Bearing Liabilities</b>					
<b>Current - secured</b>					
Lease liability	14(a),22(b)	5,836	2,293	3,274	2,293
Bank loans	14(b),22(b)	831	372	831	372
Bills of exchange	14(c)	500	1,700	500	1,700
Other loans	14(d)	1,207	-	1,207	-
		-----		-----	
Total current interest bearing liabilities		8,374	4,365	5,812	4,365
		=====	=====	=====	=====

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	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>14. Interest Bearing Liabilities (continued)</b>					
<b>Non current - secured</b>					
Lease liability	14(a),22(b)	23,063	14,488	16,355	14,488
Bank loans	14(b),22(b)	3,842	2,276	3,842	2,276
Total non current interest bearing liabilities		26,905	16,764	20,197	16,764

- (a) Lease liability relates to hire purchase leases that have an average lease term of 5 years. The average discount rate implicit in the leases is 8.0% (2003: 7.8%). Lease liabilities are secured by a charge over the leased assets and first registered mortgage over the whole of Boom Logistics Limited and Heavy Lift Cranes Australia Pty Ltd assets and guarantee and indemnities provided by Boom Logistics Limited.
- (b) Bank loans mainly represent chattel mortgages and are repayable monthly with an average term of 5 years. Interest is recognised at an average rate of 8.0% (2003: 7.8%). The bank loans are secured by first registered mortgage over the assets of the companies carrying the liabilities.
- (c) Bills of exchange have an average maturity of 30 days with effective interest rates of 5.0% to 6.0% (2003: 5.0% to 6.0%).
- (d) Other loans represent financing of the group insurance premium repayable over 11 months with an effective interest rate of 4.5%.

**15. Provisions (Current)**

Employee benefits	23(a)	3,815	616	2,419	616
Other		-	33	-	33
Total current provisions		3,815	649	2,419	649

**16. Other Current Liabilities**

PAYG tax withheld		1,053	230	813	230
Goods and services tax		450	168	369	168
Deferred cash settlement for business acquired	16(a)	4,145	-	1,150	-
Other accrued expenses		458	452	372	452
Total other current liabilities		6,106	850	2,704	850

- (a) At reporting date, Boom Logistics Limited had deferred cash settlements representing the remaining consideration payable for the acquisition of Holt Industries Pty Ltd, Heavy Lift Cranes Australia Pty Ltd and the asset purchase of Brambles (Port Kembla NSW).

**17. Provisions (Non Current)**

Employee benefits	23(a)	63	-	37	-
Total non current provisions		63	-	37	-



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	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>18. Other Non Current Liabilities</b>					
Deferred cash settlement for business acquired	16(a)	320	-	-	-
Amounts payable to wholly owned controlled entities		-	-	413	-
		-----	-----	-----	-----
Total other non current liabilities		320	-	413	-
		=====	=====	=====	=====
<b>19. Contributed Equity</b>					
<b>(a) Issued and paid up capital</b>					
Ordinary shares fully paid		41,576	8,894	41,576	8,894
		=====	=====	=====	=====
<b>(b) Movements in shares on issue</b>					
		2004		2003	
		No. of shares	\$'000	No. of shares	\$'000
Beginning of the financial year		43,735,706	8,894	43,735,706	6,976
Issued during the year:					
- employee share incentive schemes	(i)	2,124,571	-	-	-
- public equity raising		26,250,000	21,000	-	-
- purchase of Conmor assets	(ii)	5,859,938	3,516	-	-
- purchase of Heavy Lift Pty Ltd	(iii)	3,437,500	2,750	-	-
- purchase of Purcell assets	(iii)	937,500	750	-	-
- purchase of Holt Industries Pty Ltd	(iii)	10,000,000	8,000	-	-
- capital raising costs	(iv)	-	(3,334)	-	-
- fully paid during the year		-	-	-	1,918
		-----	-----	-----	-----
Total issued during the year		48,609,509	32,682	-	1,918
		-----	-----	-----	-----
End of the financial year		92,345,215	41,576	43,735,706	8,894
		=====	=====	=====	=====

(i) This amount represents the granting of 1,658,571 ordinary shares to Roderick G. Harmon and 466,000 ordinary shares to other employees as part of the employee share incentive schemes for nil consideration during the financial year. Refer to Notes 23(b) and 28 for further details.

(ii) On 7 October 2003, 5,859,938 ordinary shares were issued as part consideration in acquiring the assets of Conmor Cranes Pty Ltd. The value placed on the issue was the contract price at that date of \$0.60 per share.

(iii) On 7 October 2003, 14,375,000 ordinary shares were issued as part consideration in acquiring 100% of Heavy Lift Cranes Australia Pty Ltd and Holt Industries Pty Ltd, and the assets of Purcell Nominees Pty Ltd. The value placed on the issue was the contract price at that date of \$0.80 per share.

(iv) The amount of \$3,333,858 represents the transaction costs incurred from the capital raising in 2003 of \$2,110,614 and the capital raising costs of \$1,223,244 carried forward at 30 June 2003. The carried forward deferred capital raising costs were previously recognised as "Other Current Assets" in the 30 June 2003 financial statements. This has been reclassified to "Contributed Equity" as a reduction of the proceeds received from the capital raising as the company's capital raising activities were successful and in accordance with UIG Abstract 23 "Transaction Costs Arising on the Issue of Equity Instruments".

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	Note	CONSOLIDATED		PARENT	
		2004	2003	2004	2003
		\$'000	\$'000	\$'000	\$'000
<b>19. Contributed Equity (continued)</b>					
<b>(c) Share options</b>					
<p>During the financial year, 1,255,000 options were issued over ordinary shares to Reefside Enterprises Pty Ltd (a director related entity), for performance fees on the successful acquisition of Heavy Lift Cranes Australia Pty Ltd and the assets of Conmor Cranes Pty Ltd. The options have a \$0.60 exercise price and are exercisable upon issue and with a term of 2 years from the date of the company's shares being quoted on the official list of the ASX being 14 October 2003.</p> <p>At the end of the financial year, there were 2,015,000 (2003: 760,000 issued at \$0.50 exercise price) unissued ordinary shares in respect of which options were outstanding.</p>					
<b>(d) Terms and conditions of contributed equity</b>					
<p>Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of Boom Logistics Limited.</p>					
<b>20. Retained Profits</b>					
Balance at the beginning of year		1,867	(710)	1,867	(710)
Net profit attributable to members of Boom Logistics Limited		9,405	2,577	7,911	2,577
		-----	-----	-----	-----
Total available for appropriation		11,272	1,867	9,778	1,867
Dividends provided for or paid		(1,108)	-	(1,108)	-
		-----	-----	-----	-----
Balance at end of year		10,164	1,867	8,670	1,867
		=====	=====	=====	=====
<b>21. Statement of Cash Flows</b>					
<b>(a) Reconciliation of the net profit after tax to the net cash flows from operations</b>					
Net profit after tax		9,405	2,577	7,911	2,577
<i>Non cash items</i>					
Depreciation of non current assets		4,141	1,629	2,900	1,629
Amortisation of non current assets		269	-	3	-
Net (profit)/loss on disposal of plant and equipment		(53)	10	(53)	10
Provision for doubtful debts		92	16	43	16
<i>Changes in assets and liabilities</i>					
(Increase)/decrease in trade and other receivables		(9,412)	(1,844)	(8,484)	(1,844)
(Increase)/decrease in inventory		8	(6)	20	(6)
(Increase)/decrease in future income tax benefit		(125)	186	(533)	186
(Increase)/decrease in prepayments and other assets		625	(1,691)	476	(1,691)
(Decrease)/increase in trade and other creditors		3,830	1,226	1,879	1,226
(Decrease)/increase in tax provision		2,524	256	2,572	256
(Decrease)/increase in deferred income tax liability		779	566	779	566
(Decrease)/increase in employee entitlements		329	26	211	26
(Decrease)/increase in other liabilities		(1,173)	408	1,520	408
		-----	-----	-----	-----
Net cash flow from operating activities		11,238	3,359	9,244	3,359
		=====	=====	=====	=====

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		<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>Note</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>21. Statement of Cash Flows (continued)</b>					
<b>(b) Reconciliation of cash</b>					
Cash balance comprises:					
- cash assets		2,572	883	2,009	883
		2,572	883	2,009	883
Closing cash balance		2,572	883	2,009	883

**(c) Financing facilities available**

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

Total facilities					
- bank overdraft		1,900	500	1,500	500
- bank loans		47,681	21,429	38,165	21,429
Facilities used at reporting date					
- bank overdraft		-	-	-	-
- bank loans		34,072	21,129	24,802	21,129
Facilities unused at reporting date					
- bank overdraft		1,900	500	1,500	500
- bank loans		13,609	300	13,363	300

**(d) Non cash financing and investing activities**

*Finance Lease Transactions*

During the financial year the consolidated entity acquired plant and equipment with an aggregate fair value of \$6,092,795 (2003: \$285,216) by means of hire purchase contracts.

*Shares Issued For Business Acquisitions*

During the reporting period, Boom Logistics Limited issued ordinary shares to the value of \$15,015,963 as part of acquiring the businesses disclosed in Note 21(e).

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**21. Statement of Cash Flows (continued)**

**PARENT**

**2004**

**2003**

**(e) Acquisition of controlled entities and businesses**

The following businesses were acquired during the reporting period:

Entity Date of Acquisition Type of Acquisition	Heavy Lift Cranes		Purcell 7 October 2003 asset purchase	Holt Industries P/L 7 October 2003 share purchase	Brambles (NSW) 9 October 2003 asset purchase	Brambles (WA) 1 July 2003 asset purchase	Total Acquisitions Year Ended 30 June 2004	Brambles Perth Cranes Pty Ltd 4 November 2002 asset purchase
	Conmor Cranes 7 October 2003 asset purchase	Australia P/L 7 October 2003 share purchase						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>(i) Consideration</i>								
- cash paid	2,958	1,445	4,085	8,168	4,697	476	21,829	3,600
- ordinary shares	3,516	2,750	750	8,000	-	-	15,016	-
- deferred payments	-	-	-	-	1,150	-	1,150	-
	6,474	4,195	4,835	16,168	5,847	476	37,995	3,600
<i>(ii) Net assets acquired</i>								
- cash	-	30	-	517	-	-	547	-
- trade debtors	-	975	-	2,259	-	-	3,234	-
- inventories	17	6	4	70	14	-	111	-
- other current assets	-	212	18	202	52	7	491	-
- intangibles	-	500	-	615	-	-	1,115	-
- fixed assets	7,009	2,900	7,055	21,790	6,251	543	45,548	7,815
- other non current assets	237	54	22	354	202	19	888	-
	7,263	4,677	7,099	25,807	6,519	569	51,934	7,815
- trade creditors	-	(290)	-	(319)	-	-	(609)	-
- provisions	(789)	(166)	(72)	(1,138)	(672)	(63)	(2,900)	(215)
- other current liabilities	-	(393)	-	(1,954)	-	(30)	(2,377)	-
- interest bearing liabilities	-	(2,079)	(2,192)	(7,716)	-	-	(11,987)	(4,000)
- other non current liabilities	-	(1,130)	-	(1,093)	-	-	(2,223)	-
	(789)	(4,058)	(2,264)	(12,220)	(672)	(93)	(20,096)	(4,215)
Net assets acquired	6,474	619	4,835	13,587	5,847	476	31,838	3,600
<i>(iii) Goodwill arising on acquisition</i>								
	-	3,576	-	2,581	-	-	6,157	-
<i>(iv) Net cash effect</i>								
Cash consideration paid	2,958	1,445	4,085	8,168	4,697	476	21,829	3,600
Cash included in net assets acquired	-	30	-	517	-	-	547	-
Net cash paid	2,958	1,415	4,085	7,651	4,697	476	21,282	3,600

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	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>22. Expenditure Commitments</b>					
<b>(a) Operating leases (non cancellable)</b>					
Minimum lease payments	(i)				
- not later than one year		1,485	516	1,354	516
- later than one year and not later than five years		4,079	1,532	3,684	1,532
- later than five years		837	1,102	837	1,102
Aggregate operating lease expenditure contracted for at reporting date		<b>6,401</b>	3,150	<b>5,875</b>	3,150

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

**(b) Hire purchase contracts**

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

- not later than one year		9,006	3,507	5,810	3,507
- later than one year and not later than five years		29,727	16,824	22,219	16,824
- later than five years		129	-	129	-
Total minimum lease payments		<b>38,862</b>	20,331	<b>28,158</b>	20,331
- future charges		(5,290)	(3,550)	(3,856)	(3,550)
Net hire purchase liability		<b>33,572</b>	16,781	<b>24,302</b>	16,781
- current liability	14	6,667	2,293	4,105	2,293
- non current liability	14	26,905	14,488	20,197	14,488
		<b>33,572</b>	16,781	<b>24,302</b>	16,781

**23. Employee Benefits and Commitments**

The consolidated entity employed 398 employees as at 30 June 2004 (2003: 141 employees).

**(a) Employee benefits**

The aggregate employee benefit liability is comprised of:

- accrued salaries, wages and on costs		51	19	51	19
- provisions (current)	15	3,815	616	2,419	616
- provisions (non current)	17	63	-	37	-
		<b>3,929</b>	635	<b>2,507</b>	635

**(b) Employee share incentive scheme**

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

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

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**23. Employee Benefits and Commitments (continued)**

**(b) Employee share incentive scheme (continued)**

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

*Exempt share plan (ESP)*

Under this scheme, all permanent employees (excluding directors and senior management) of Boom Logistics Limited with twelve months continuous service were offered 1,000 ordinary shares in Boom Logistics Limited for nil consideration, as part of Boom Logistics Limited Initial Public Offer conducted during October 2003. The scheme was designed to access the \$1,000 exemption concessions provided under the provisions of Section 139BA of Division 13A of the Income Tax Assessment Act 1936. A total of 116,000 ordinary shares were issued under this scheme. The ordinary shares issued are held in trust for the requisite three years restrictive period and will be released earlier in the event of cessation of employment. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited.

*Employee share trust (EST)*

Under this scheme, certain employees (excluding directors) selected by the Board of Directors were offered ordinary shares in Boom Logistics Limited by way of Share Units issued by the Share Plan Trustee, as part of Boom Logistics Limited Initial Public Offer (IPO) conducted during October 2003. The Share Units were offered at the IPO price funded by way of an interest free loan provided by the Share Plan Trustee. A total of 350,000 ordinary shares were issued under this scheme. 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:

	<b>Note</b>	<b>2004 Number of shares</b>	<b>2003 Number of shares</b>
Balance at beginning of year		-	-
- issued		<b>466,000</b>	-
- sold		<b>(2,000)</b>	-
- cancelled		-	-
		-----	-----
Balance at end of year		<b>464,000</b>	-
		=====	=====

**24. Contingent Assets and Contingent Liabilities**

There has been no contingent assets or contingent liabilities as at reporting date.

**25. Subsequent Events**

On 1 July 2004, Boom Logistics Limited paid \$1.15m to Brambles Australia Limited as full and final settlement of the Brambles (Port Kembla NSW) asset purchase. Upon payment, Boom Logistics Limited was discharged from the Deed of Charge over the assets purchased.

On 1 July 2004, the consolidated entity signed a commercial hire purchase agreement to acquire 7 cranes to the value of \$1,368,477 with an average interest rate of 7.5%. As at 30 June 2004, this transaction was recorded as a trade creditor as ownership had passed and a liability was incurred by the consolidated entity.

On 16 August 2004, the directors of Boom Logistics Limited declared a fully franked final dividend of 3.9 cents per share on ordinary shares of \$3,601,463 in respect of the 2004 financial year. The dividend has not been provided for in the 30 June 2004 financial statements.

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	Note	CONSOLIDATED		PARENT	
		2004	2003	2004	2003
		\$'000	\$'000	\$'000	\$'000
<b>26. Earnings Per Share</b>					
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:					
Net profit		9,405			
			No. of shares		
Weighted average number of ordinary shares used in calculating basic earnings per share		78,756,314			
<i>Effect of dilutive securities:</i>					
- share options		867,856			
		-----			
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		79,624,170			
		=====			
<i>Issues after 30 June 2004</i>					
Since the end of the financial year, there have been no issue of ordinary shares or other conversion 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.					
<b>27. Auditors' Remuneration</b>					
Amounts received or due and receivable by PKF for:					
- an audit or review of the financial report of the entity and any other entity in the consolidated entity		89,145	27,000	79,145	27,000
- other services in relation to the entity and any other entity in the consolidated entity:					
- tax compliance (PKF Melbourne)		26,606	-	26,606	-
- special audits required by regulators		1,000	-	1,000	-
		-----		-----	
		116,751	27,000	106,751	27,000
		=====		=====	
Amounts received or due and receivable by related practice of the auditor of the consolidated entity:					
- other services		247,804	264,872	247,804	264,872
		=====		=====	

**28. Director and Executive Disclosures**

**(a) Details of specified directors and specified executives**

*Specified directors*

John Robinson	Chairman (non-executive)
Roderick G. Harmon	Director and Chief Executive Officer
Terence A. Hebiton	Director (non-executive)
Douglas E. Williams	Director (non-executive)
Fiona Bennett	Director (non-executive)
Dr. Huw G. Davies	Director (non-executive)

*Specified executives*

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

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**28. Director and Executive Disclosures (continued)**

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

*Remuneration policy*

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

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

In addition, all executives are entitled to annual bonuses payable upon the achievement of annual corporate profitability measures, the most important being return on shareholder's equity.

		Primary		Non	Post Employment		Equity *	Other	Total
	Salary & Fees	Cash Bonus	Monetary benefits	Super-annuation	Retirement benefits				
<u>Specified directors</u>									
John Robinson									
2004	70,000	-	-	6,300	-	-	-	-	76,300
2003	25,000	-	-	2,250	-	-	-	-	27,250
Roderick G. Harmon									
2004	310,919	9,138	89	24,188	-	1,326,857	-	-	1,671,191
2003	206,285	14,945	-	15,000	-	-	-	-	236,230
Terence A. Hebiton									
2004	31,250	-	-	2,813	-	-	-	-	34,063
2003	14,220	-	-	1,280	-	-	-	-	15,500
Douglas E. Williams									
2004	91,317	20,000	3,834	5,611	-	-	-	-	120,762
2003	154,362	-	4,444	10,520	-	-	-	-	169,326
Fiona Bennett									
2004	31,250	-	-	2,813	-	-	-	-	34,063
2003	12,500	-	-	1,125	-	-	-	-	13,625
Dr. Huw G. Davies									
2004	31,250	-	-	2,813	-	-	-	-	34,063
2003	12,500	-	-	1,125	-	-	-	-	13,625
<b>Total Remuneration: Specified Directors</b>									
2004	565,986	29,138	3,923	44,538	-	1,326,857	-	-	1,970,442
2003	424,867	14,945	4,444	31,300	-	-	-	-	475,556

\* Equity remuneration represents ordinary shares in Boom Logistics Limited issued for nil consideration.

For the purpose of this disclosure, the ordinary shares have been valued at market value at the grant date being \$0.80 per share for Roderick G. Harmon. No expenditure or cash flow was incurred by Boom Logistics Limited as a result of this transaction based on existing accounting standards.

Equity remuneration was granted to Roderick G. Harmon for the preparation and successful listing of Boom Logistics Limited on the Australian Stock Exchange (ASX) during the financial year. The ordinary shares granted are subject to voluntary escrow restrictions.



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**Notes to the Financial Statements**  
for the Year ended 30 June 2004

**28. Director and Executive Disclosures (continued)**

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

		Primary		Non	Post Employment		Equity *	Other	Total
		Salary & Fees	Cash Bonus	Monetary benefits	Super-annuation	Retirement benefits			
<u>Specified executives</u>									
Mark Lawrence **									
	2004	183,464	9,972	213	15,750	-	120,000	-	329,399
	2003	101,327	-	-	6,794	-	-	-	108,121
Brian Praetz									
	2004	171,112	10,961	-	14,130	-	120,000	-	316,203
	2003	131,144	-	-	9,644	-	-	-	140,788
Drew Baker									
	2004	159,125	28,600	849	13,680	-	120,000	-	322,254
	2003	94,945	-	-	6,794	-	-	-	101,739
Brenton Salleh ***									
	2004	103,161	-	-	7,500	-	-	-	110,661
	2003	-	-	-	-	-	-	-	-
Frank Legena									
	2004	143,919	10,354	4,931	12,707	-	-	-	171,911
	2003	161,057	-	8,503	10,377	-	-	-	179,937
<b>Total Remuneration: Specified Executives</b>									
	2004	760,781	59,887	5,993	63,767	-	360,000	-	1,250,428
	2003	488,473	-	8,503	33,609	-	-	-	530,585

\* Equity remuneration represents ordinary shares in Boom Logistics Limited issued for nil consideration. For the purpose of this disclosure, the ordinary shares have been valued at market value at the grant date being \$1.20 per share for the specified executives. No expenditure or cash flow was incurred by Boom Logistics Limited as a result of this transaction based on existing accounting standards.

\*\* Mark Lawrence was also a director of all the subsidiaries of Boom Logistics Limited since acquisition date.

\*\*\* Brenton Salleh commenced employment with Boom Logistics Limited on 7 October 2003. He is also a director of Heavy Lift Cranes Australia Pty Ltd.

**(c) Option holdings of specified directors and specified executives**

	Balance at beginning of period	Granted as remuneration	Options exercised	Net change other	Balance at end of period	Vested at 30 June 2004		
						Total	Not exercisable	Exercisable
	1 July 03			#	30 June 04			
<u>Specified directors</u>								
	760,000	-	-	1,255,000	2,015,000	2,015,000	-	2,015,000
Total	<b>760,000</b>	<b>-</b>	<b>-</b>	<b>1,255,000</b>	<b>2,015,000</b>	<b>2,015,000</b>	<b>-</b>	<b>2,015,000</b>

# Refer to Note 19(c) for further details of options issued.

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**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

**28. Director and Executive Disclosures (continued)**

**(d) Shareholdings of specified directors and specified executives**

Ordinary shares held in Boom Logistics Limited (number)	Balance July 03	Granted as 1 remuneration	On exercise of options	Net change other #	Balance 30 June 04
<u>Specified directors</u>					
John Robinson	-	-	-	100,000	100,000
Roderick G. Harmon	-	1,658,571	-	2,500	1,661,071
Terence A. Hebiton	5,079,428	-	-	(458,215)	4,621,213
Douglas E. Williams	17,260,773	-	-	(2,138,618)	15,122,155
Fiona Bennett	-	-	-	50,000	50,000
Dr. Huw G. Davies	-	-	-	80,000	80,000
<u>Specified executives</u>					
Mark Lawrence	-	100,000	-	182,330	282,330
Brian Praetz	-	100,000	-	-	100,000
Drew Baker	-	100,000	-	-	100,000
Brenton Salleh	-	-	-	1,031,250	1,031,250
Frank Legena	659,810	-	-	-	659,810
<b>Total</b>	<b>23,000,011</b>	<b>1,958,571</b>	<b>-</b>	<b>(1,150,753)</b>	<b>23,807,829</b>

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

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

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

*Services*

During the year, Boom Logistics Limited leased premises for \$165,000 (2003: \$165,000) from Sutville Pty Ltd, of which Douglas E. Williams is a director. The lease was made on normal commercial terms.

During the year, Boom Logistics Limited leased a mobile crane and lifting equipment for \$185,870 (2003: \$165,240) from Sutville Pty Ltd, of which Douglas E. Williams is a director. The lease was made on normal commercial terms.

During the year, consulting services of \$45,034 (2003: \$nil) were provided to Boom Logistics Limited by Sutville Pty Ltd, of which Douglas E. Williams is a director. The consulting services were made on normal commercial terms.

During the year, consulting services of \$65,000 (2003: \$501,227) were provided to Boom Logistics Limited by Reefside Enterprises Pty Ltd as trustee for the Toman Trust, of which Terence A. Hebiton holds a beneficial interest. The consulting services were made on normal commercial terms.

During the year, 1,255,000 options were issued to Reefside Enterprises Pty Ltd, in which Terence A. Hebiton is a director, as a performance fee for the successful acquisition of Heavy Lift Cranes Australia Pty Ltd and Conmor Cranes Pty Ltd. Refer to Note 19(c) for more details.

*Other*

During the year, deferred vendor payment of \$48,905 (2003: nil) was paid to Brenton Salleh as part of the settlement on the acquisition of Heavy Lift Cranes Australia Pty Ltd.

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**Notes to the Financial Statements**  
**for the Year ended 30 June 2004**

**28. Director and Executive Disclosures (continued)**

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

*Amounts payable to specified directors and executives at reporting date:*

	<b>2004</b>	2003
	<b>\$'000</b>	\$'000
Current liabilities		
- trade creditors	<b>110</b>	146
- other liabilities	<b>243</b>	-
Non current liabilities	<b>96</b>	-
	-----	-----
	<b>449</b>	146
	=====	=====

**29. Related Party Disclosures**

*Ultimate parent*

Boom Logistics Limited is the ultimate parent company.

**30. Segment Information**

**(a) Segment products and locations**

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

**(b) Segment accounting policies**

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

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

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**Notes to the Financial Statements**  
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**31. Financial Instruments**

(a) Interest rate risk	Floating interest rate	Fixed interest rate maturing in:			Non interest bearing	Carrying amount per statement of financial position	Weighted average effective interest rate %
		< 1 year	1-5 years	> 5 years			
<b>(i) 2004 (\$'000s)</b>							
<i>Financial assets</i>							
- Cash	2,563	-	-	-	9	<b>2,572</b>	4.4%
- Trade and other receivables	-	-	-	-	18,692	<b>18,692</b>	N/A
Total financial assets	<b>2,563</b>	-	-	-	<b>18,701</b>	<b>21,264</b>	
<i>Financial liabilities</i>							
- Trade creditors	-	-	-	-	6,130	<b>6,130</b>	N/A
- Other creditors	-	-	-	-	1,510	<b>1,510</b>	N/A
- Lease liability	-	5,836	23,063	-	-	<b>28,899</b>	8.0%
- Bank loans	-	2,038	3,842	-	-	<b>5,880</b>	8.0%
- Bills of exchange	500	-	-	-	-	<b>500</b>	5.5%
- Deferred cash settlement for businesses acquired	-	-	-	-	4,465	<b>4,465</b>	N/A
Total financial liabilities	<b>500</b>	<b>7,874</b>	<b>26,905</b>	-	<b>12,105</b>	<b>47,384</b>	
<b>(ii) 2003 (\$'000s)</b>							
<i>Financial assets</i>							
- Cash	880	-	-	-	3	<b>883</b>	2.9%
- Trade and other receivables	-	-	-	-	5,931	<b>5,931</b>	N/A
Total financial assets	<b>880</b>	-	-	-	<b>5,934</b>	<b>6,814</b>	
<i>Financial liabilities</i>							
- Trade creditors	-	-	-	-	3,039	<b>3,039</b>	N/A
- Other creditors	-	-	-	-	162	<b>162</b>	N/A
- Lease liability	-	2,293	14,488	-	-	<b>16,781</b>	7.8%
- Bank loans	-	372	2,276	-	-	<b>2,648</b>	7.8%
- Bills of exchange	1,700	-	-	-	-	<b>1,700</b>	5.2%
Total financial liabilities	<b>1,700</b>	<b>2,665</b>	<b>16,764</b>	-	<b>3,201</b>	<b>24,330</b>	

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

**(b) Credit risk exposures**

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

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

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

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**Notes to the Financial Statements**  
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**32. Impact of Adopting AASB Equivalents to IASB Standards**

Boom Logistics Limited has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The company has allocated internal resources and engaged expert consultants to provide technical advice on key areas that will be impacted by the transition to IFRS.

As Boom Logistics Limited has a 30 June year end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future and is required when Boom Logistics Limited prepare its first fully IFRS compliant financial report for the year ended 30 June 2006.

Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Boom Logistics Limited. At this stage the company has not been able to reliably quantify the impacts on the financial report.

*Goodwill*

Under the Australian equivalent to IFRS 3 Business Combinations, goodwill will no longer be amortised and will be subject to annual impairment testing. This will result in a change in the group's current accounting policy which amortises goodwill over its useful life but not exceeding 20 years. Under the new policy, amortisation will no longer be charged but goodwill will be written down to the extent it is impaired. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

*Impairment of assets*

Under the Australian equivalent to IAS 36 Impairment of Assets, the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the group's current accounting policy which determines the recoverable amount of an asset on the basis of non-discounted cash flows. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

*Income taxes*

Under the Australian equivalent to IAS 12 *Income Taxes*, the company will be required to use a balance sheet liability method which focuses on the tax effects of transactions and other events that affect amounts recognised in either the Statement of Financial Position or a tax based balance sheet. The most significant impact will be the recognition of a deferred tax liability in relation to the asset revaluation reserve. Previously, the capital gains tax effects of asset revaluations were not recognised. It is not expected that there will be any further material impact as a result of adoption of this standard.

*Share based payments*

Under AASB 2 Share Based Payments, the company will be required to determine the fair value of options issued to employees as remuneration and recognise an expense in the Statement of Financial Performance. This standard is not limited to options and also extends to other forms of equity based remuneration. It applies to all share based payments issued after 7 November 2002 which have not vested as at 1 January 2005. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of future equity based remuneration plans are unknown.

# 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 2004 and of their performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Roderick Harmon  
Managing Director



John Robinson  
Chairman

Melbourne, 16 August 2004