BOOM LOGISTICS LIMITED

ABN 28 095 466 961

Interim Financial Report
for the six months ended 31 December 2015

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

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Boom Logistics Limited ("Boom Logistics" or "the Company") and the entities it controlled for the half-year ended 31 December 2015.

Directors

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

Mr Rodney John Robinson	Chairman (non-executive)
Mr Brenden Clive Mitchell	Managing Director (executive)
Mr Terrence Charles Francis	Director (non-executive)
Mr Terence Alexander Hebiton	Director (non-executive)

Operating and Financial Review

Operating and Financial Review

The Group recorded a statutory net loss after tax for the half year ended 31 December 2015 (FY16 H1) of $20.3 million (FY15 H1: net loss of $3.4m).

Revenue decreased by 31% in the period as a result of resources customers responding to market conditions by reducing demand for cranes, particularly in the coal sector, a reduction in project activity in the period and the closure of several unprofitable depots over the current and previous period.

Costs were tightly managed with the reported results benefitting from the significant restructuring activities and cost saving initiatives that have been executed over the last 18 months in particular.

Trading result

The FY16 H1 statutory net loss after tax includes the following non-trading expenses:

- a non-cash impairment charge of $11.6m applied to assets in the operating fleet;
- a non-cash impairment charge of $5.9m applied to assets held for sale;
- restructuring costs of $0.8m; and
- $0.1m of legal costs associated with Boom’s 18 metre glove and barrier legal claim.

Asset impairments reflect a decline in fair market values of crane and travel tower assets across the sector. The fair market value of the Group’s assets was determined by an independent asset valuation.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

A reconciliation between trading EBITDA (non IFRS measure) and the recorded loss after tax (IFRS financial information) is provided below:

	2015 $m	**2014 $m**
Trading EBITDA	**6.7**	**12.0**
Less: Non-trading costs		
Restructuring expense	(0.8)	(1.2)
Legal costs – 18 metre Glove and Barrier claim	(0.1)	(0.1)
EBITDA	5.8	10.7
Add: Profit on sale of assets	-	1.8
Less: Finance costs (net of interest income)	(2.4)	(3.6)
Less: Depreciation and Amortisation expense	(10.2)	(12.3)
Add: Income tax benefit	4.0	1.6
Net Loss after Tax but before Impairment of Assets	(2.8)	(1.8)
Less: Impairment of Assets	(17.5)	(1.6)
Loss after Tax	**(20.3)**	**(3.4)**

Cash Flow

Cash flow in the period was strong with cash flow from operations reported at $8.5m (FY15 H1: $11.5m). In addition net cash provided by investing activities realised in the period was $10.8m (FY15 H1: $2.3m).

Balance Sheet

The strong cash flow allowed significant repayments of syndicated debt to be made in the period. $25.9m of syndicated debt was repaid in the 6 months to 31 December 2015 with gearing being reduced to 29% (30 June 2015: 36%).

At 31 December 2015 the Group had undrawn debt facilities of $15.0m. Under the terms of the syndicated banking facility the facility limit amortises by $7.5m per quarter. The facility limit will then reduce to $52.5m by 30 June 2016, being the actual drawn amount at 31 December 2015.

Net Assets reduced to $178.1m, principally as a result of the asset impairment, down from $198.3m at 30 June 2015.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

FY16 H1 key points

- Trading EBITDA of $6.7m (FY15 H1: $12.0m)
- Positive free cash flow of $19.3m (FY15 H1: $13.8m) which includes:
  - Proceeds from surplus asset sales of $11.3m (FY15 H1: $9.3m)
  - Payment of interest expense (net of interest received) of $2.3m (FY15 H1: $3.2m)
- Gross syndicated debt reduced to $52.5m ($78.4m at 30 June 2015)
- Gearing (Net Debt / Total Equity) reduced to 29% (36% at 30 June 2015)

Auditor's Independence Declaration to the Directors

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

Rounding

The amounts contained in this report and in the financial report are presented in Australian dollars and have been rounded to the nearest $1,000 (where rounding is applicable) under the option available under ASIC Class Order 98/100. The Group is of a kind to which the Class Order applies.

Signed in accordance with a resolution of the Directors.

John Robinson	Brenden Mitchell
Chairman	**Managing Director**

Melbourne, 17 February 2016

KPMG

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

To: the Directors of Boom Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Paul J McDonald

Partner

Melbourne

17 February 2016

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

Consolidated Interim Income Statement
for the half-year ended
31 December 2015

	Note	2015 $'000	2014 $'000
Revenue	5	**79,963**	115,611
Salaries and employee benefits expense	5	**(42,483)**	(56,441)
Equipment service and supplies expense	5	**(19,879)**	(32,623)
Operating lease expense		**(4,333)**	(5,315)
Other expenses		**(6,600)**	(7,457)
Restructuring expense		**(784)**	(1,192)
Depreciation and amortisation expense	5	**(10,190)**	(12,340)
Impairment expense	5	**(17,478)**	(1,623)
(Loss) before financing expense and income tax		**(21,784)**	(1,380)
Financing expense	5	**(2,521)**	(3,655)
(Loss) before income tax		**(24,305)**	(5,035)
Income tax benefit	8	**4,024**	1,677
Net (loss) attributable to members of Boom Logistics Limited		**(20,281)**	(3,358)
Basic (losses) per share (cents per share)		**(4.3)**	(0.7)
Diluted (losses) per share (cents per share)		**(4.3)**	(0.7)

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

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

Consolidated Interim Statement of Comprehensive Income
for the half-year ended
31 December 2015

	2015	2014
	$'000	$'000
Net (loss) attributable to members of Boom Logistics Limited	**(20,281)**	(3,358)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges recognised in equity, net of tax	**-**	465
Other comprehensive income for the half-year, net of tax	**-**	465
Total comprehensive (loss) for the half-year attributable to members of Boom Logistics Limited	**(20,281)**	(2,893)

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

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

Consolidated Interim Statement of Financial Position
as at
31 December 2015

	Note	31 December 2015 $'000	30 June 2015 $'000
CURRENT ASSETS			
Cash and cash equivalents		**1,285**	6,995
Trade and other receivables		**28,878**	40,676
Inventories		**219**	259
Prepayments and other current assets		**2,899**	1,924
Assets classified as held for sale		**10,637**	8,810
Income tax receivable		**-**	4,449
TOTAL CURRENT ASSETS		**43,918**	63,113
NON-CURRENT ASSETS			
Property, plant and equipment	6	**213,503**	253,257
Intangible assets		**1,136**	1,675
TOTAL NON-CURRENT ASSETS		**214,639**	254,932
TOTAL ASSETS		**258,557**	318,045
CURRENT LIABILITIES			
Trade and other payables		**11,723**	16,845
Interest bearing loans and borrowings	9	**15,567**	25,931
Provisions		**8,663**	12,392
Other liabilities		**4,245**	5,222
TOTAL CURRENT LIABILITIES		**40,198**	60,390
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	9	**37,500**	52,050
Provisions		**2,594**	3,144
Deferred tax liabilities		**161**	4,185
TOTAL NON-CURRENT LIABILITIES		**40,255**	59,379
TOTAL LIABILITIES		**80,453**	119,769
NET ASSETS		**178,104**	198,276
EQUITY			
Contributed equity	10	**318,065**	318,065
Retained losses		**(140,756)**	(120,475)
Reserves		**795**	686
TOTAL EQUITY		**178,104**	198,276

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

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

Consolidated Interim Statement of Cash Flows
for the half-year ended
31 December 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		**98,377**	138,855
Payments to suppliers and employees		**(91,980)**	(128,613)
Interest paid		**(2,370)**	(3,263)
Interest received		**52**	85
Income tax received		**4,449**	4,450
Net cash provided by operating activities		**8,528**	11,514
Cash flows from investing activities			
Purchase of property, plant and equipment		**(412)**	(6,923)
Payment for intangible assets - software development costs		**(22)**	(69)
Proceeds from the sale of plant and equipment		**11,260**	9,257
Net cash provided by investing activities		**10,826**	2,265
Cash flows from financing activities			
Proceeds from borrowings	9	**2,889**	3,116
Repayment of borrowings	9	**(27,953)**	(17,681)
Net cash used in financing activities		**(25,064)**	(14,565)
Net (decrease) in cash and cash equivalents		**(5,710)**	(786)
Cash and cash equivalents at the beginning of the period		**6,995**	8,557
Cash and cash equivalents at the end of the period		**1,285**	7,771

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

Boom Logistics Limited
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Consolidated Interim Statement of Changes in Equity
for the half-year ended
31 December 2015

	Issued Capital $'000	Retained Earnings $'000	Cash Flow Hedge Reserve $'000	Employee Equity Benefits Reserve $'000	Total Equity $'000
At 1 July 2014	318,065	(83,601)	(586)	446	234,324
Loss for the half-year	-	(3,358)	-	-	(3,358)
Other comprehensive income	-	-	465	-	465
Total comprehensive loss	-	(3,358)	465	-	(2,893)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	135	135
At 31 December 2014	318,065	(86,959)	(121)	581	231,566
At 1 July 2015	**318,065**	**(120,475)**	**-**	**686**	**198,276**
Loss for the half-year	**-**	**(20,281)**	**-**	**-**	**(20,281)**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss	**-**	**(20,281)**	**-**	**-**	**(20,281)**
Transactions with owners in their capacity as owners:					
Share based payments	**-**	**-**	**-**	**109**	**109**
At 31 December 2015	**318,065**	**(140,756)**	**-**	**795**	**178,104**

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

1. Corporate Information

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2015 was authorised for issue in accordance with a resolution of the Directors on 17 February 2016.

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

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

2. Basis of Preparation and Accounting Policies

This general purpose condensed financial report for the half-year ended 31 December 2015 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual financial report as at and for the year ended 30 June 2015.

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

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2015 and considered together with any public announcements made by Boom Logistics Limited during the half-year ended 31 December 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period, with the exception of an amendment to the plant and equipment accounting policy to recognise the accounting treatment of freehold land and buildings. The amendment is as follows:

Freehold land is measured at cost less any accumulated impairment losses.

Freehold buildings are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold buildings are depreciated on a straight line basis over the estimated useful life of 20 years.

3. Critical Accounting Estimates and Judgements

The preparation of the half-year financial report ended 31 December 2015 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

In preparing these half-year financial statements, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2015.

Going concern assumption
In preparing the financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

As disclosed in note 9, the Group is funded by a secured loan facility which is due to expire in January 2017, 13 months from reporting date. That part of the facility that is not due for repayment within 12 months from 30 June 2015 has been classified as a non-current liability. The Group has commenced the process to renew or replace its debt facility and expects to complete those negotiations before the expiry of the existing facility.

Whilst the Group incurred a loss after tax for the half-year ended 31 December 2015, primarily as a result of asset impairments, the Group generated $4.1m of surplus operating cash and a further $11.3m cash proceeds from the sale of assets in the period. The Directors have assessed the forecast trading results and cash flows for the Group, including the impact of restructuring and other initiatives implemented by management to adjust to the changed market conditions. These forecasts are necessarily based on best-estimate assumptions that are subject to influences and events outside of the control of the Group. The current operating environment in some market sectors presents challenges in terms of price pressures and volatile demand patterns. Should trading conditions continue to deteriorate, the Company has the ability to make further adjustments in the normal course of business to compensate. The forecast trading results and cash flows, taking into account reasonably possible changes in trading performance, show that the Group will continue to operate within the level and terms of its debt facilities; however the current market conditions create material uncertainty that may cast doubt on the ability of the Group to continue as a going concern and its ability to realise the value of assets in the normal course of business and at the amounts stated in the financial report.

3. Critical Accounting Estimates and Judgements (continued)

Going concern assumption (continued)
After making enquiries and considering the matters described above, the Directors have a reasonable expectation that the Group will have adequate resources to continue to meet its obligations as they fall due and remain within the limits of its debt facilities. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial report.

Note 7 sets out the basis on which the Directors have determined the recoverable amount of the non-current assets which comprise the operating fleet. The recoverable amount is based on an independent valuation which is predicated on the assumption that the Group will continue as a going concern. In the event that the Group is unable to continue as a going concern, a further provision would be required to write down the value of assets to an alternative basis of valuation.

4. Segment Reporting

Description of operating segments

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

The business is considered from a product perspective and has one reportable segment: "Lifting Solutions", which consists of all lifting activities including the provision of cranes, travel towers, access equipment and all associated services.

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

Transfer prices between operating segments are at cost.

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

Revenues of approximately $7.885 million or 10% of total segment revenue (31 December 2014: $13.827 million or 12%) are derived from a single external customer. These revenues are attributable to the Lifting Solutions segment.

4. Segment Reporting (continued)

Segment information

	Lifting Solutions $'000	Other * $'000	Consolidated $'000
Half-year ended: 31 December 2015			
Segment revenue			
Revenue from external customers	**79,865**	**-**	**79,865**
Other income	**46**	**-**	**46**
Total segment revenue	**79,911**	**-**	**79,911**
Interest income from other persons/corporations			**52**
Total revenue			**79,963**
Segment result			
Operating result	**10,649**	**(4,079)**	**6,570**
Net gains on disposal of property, plant and equipment	**46**	**-**	**46**
Depreciation and amortisation	**(9,342)**	**(848)**	**(10,190)**
Restructuring expense	**(784)**	**-**	**(784)**
Impairment of property, plant and equipment	**(11,612)**	**-**	**(11,612)**
Impairment of assets classified as held for sale	**(5,866)**	**-**	**(5,866)**
Loss before net interest and tax	**(16,909)**	**(4,927)**	**(21,836)**
Net interest			**(2,469)**
Income tax benefit			**4,024**
Loss from continuing operations			**(20,281)**
Segment assets and liabilities			
Segment assets	**255,304**	**3,253**	**258,557**
Segment liabilities	**75,888**	**4,565**	**80,453**
Additions to non-current assets	**406**	**28**	**434**

** Other represents centralised costs which include national service functions.*

4. Segment Reporting (continued)

Segment information (continued)

	Lifting Solutions $'000	Other * $'000	Consolidated $'000
Half-year ended: 31 December 2014			
Segment revenue			
Revenue from external customers	113,741	-	113,741
Other income	1,785	-	1,785
Total segment revenue	115,526	-	115,526
Interest income from other persons/corporations			85
Total revenue			115,611
Segment result			
Operating result	17,626	(5,721)	11,905
Net gains on disposal of property, plant and equipment	1,785	-	1,785
Depreciation and amortisation	(11,514)	(826)	(12,340)
Restructuring expense	(1,192)	-	(1,192)
Impairment of assets classified as held for sale	(1,623)	-	(1,623)
Loss before net interest and tax	5,082	(6,547)	(1,465)
Net interest			(3,570)
Income tax benefit			1,677
Loss from continuing operations			(3,358)
Year ended: 30 June 2015			
Segment assets and liabilities			
Segment assets	305,355	12,690	318,045
Segment liabilities	109,359	10,410	119,769
Additions to non-current assets	8,083	312	8,395

** Other represents centralised costs which include national service functions.*

	Note	2015 $'000	2014 $'000
5. Revenue And Expenses			
(a) Revenue from continuing operations			
Revenue from services		**79,865**	113,741
Interest income from other persons/corporations		**52**	85
		79,917	113,826
(b) Other income			
Net gains on disposal of property, plant and equipment		**46**	1,785
		46	1,785
Total revenue		**79,963**	115,611
(c) Expenses			
Salaries and employee benefits		**39,708**	52,800
Defined contribution superannuation expense		**2,775**	3,641
Total salaries and employee benefits expense		**42,483**	56,441
External equipment hire		**4,220**	7,375
External labour hire		**2,237**	4,602
Maintenance		**4,737**	7,102
Fuel		**1,959**	3,283
External transport		**3,681**	3,703
Employee travel and housing		**810**	2,176
Other reimbursable costs (on-charged to customers)		**731**	1,271
Other equipment services and supplies		**1,504**	3,111
Total equipment services and supplies expense		**19,879**	32,623

5. Revenue And Expenses (continued)

(c) Expenses (continued)

	Note	2015 $'000	2014 $'000
Depreciation of property, plant and equipment	6	**9,629**	11,779
Amortisation of intangible assets - software development costs		**561**	561
Total depreciation and amortisation expense		**10,190**	12,340
Impairment of property, plant and equipment	7	**11,612**	-
Impairment of assets classified as held for sale	7	**5,866**	1,623
Total impairment expense		**17,478**	1,623
Interest expense		**2,177**	3,034
Borrowing costs - amortisation (non-cash)		**150**	392
Borrowing costs - other		**194**	229
Total financing expense		**2,521**	3,655

6. Property, Plant and Equipment	**Note**	**Rental Equipment $'000**	**Motor Vehicles * $'000**	**Machinery, Furniture, Fittings & Equipment $'000**	**Freehold Land & Buildings $'000**	**Total $'000**
Closing balance at 30 June 2015						
At cost		378,229	33,595	5,427	2,747	419,998
Accumulated depreciation		(143,467)	(18,367)	(4,907)	-	(166,741)
Net carrying amount		234,762	15,228	520	2,747	253,257
Half-year ended 31 December 2015						
Carrying amount at beginning net of accumulated depreciation and impairment		**234,762**	**15,228**	**520**	**2,747**	**253,257**
Additions		**133**	**-**	**11**	**268**	**412**
Disposals	(i)	**(8,288)**	**(1,089)**	**(16)**	**-**	**(9,393)**
Transfers		**(1,778)**	**-**	**1,736**	**(17)**	**(59)**
Transfer to / from assets held for sale		**(2,948)**	**(6,520)**	**(5)**	**-**	**(9,473)**
Impairment		**(11,612)**	**-**	**-**	**-**	**(11,612)**
Depreciation charge for the year	5	**(8,042)**	**(1,036)**	**(541)**	**(10)**	**(9,629)**
Carrying amount at end net of accumulated depreciation and impairment		**202,227**	**6,583**	**1,705**	**2,988**	**213,503**
Closing balance at 31 December 2015						
At cost		**358,471**	**17,553**	**7,123**	**2,998**	**386,145**
Accumulated depreciation		**(156,244)**	**(10,970)**	**(5,418)**	**(10)**	**(172,642)**
Net carrying amount		**202,227**	**6,583**	**1,705**	**2,988**	**213,503**

** Motor vehicles represent prime movers, trailers and forklifts.*

(i) Disposals for the period totalled $11.173 million which comprises $9.393 million from property, plant and equipment and $1.780 million from assets classified as held for sale.

7. Impairment

The carrying value of the Group's fixed assets was tested at 31 December 2015 by reference to management's assessment of their fair value less costs of disposal. Fair value was determined after considering information from a variety of sources including a valuation obtained from an independent valuer dated 26 November 2015.

The tough external economic environment prevalent in the Group's key markets and excess of second hand assets available for sale has led to a decline in asset values across the sector. As a consequence of the sector wide decline in asset values, the Group has recognised an impairment of $11.612 million (31 December 2014: $nil) against the carrying value of its operating fleet.

Property, Plant and Equipment
Under the requirements of AASB 136: Impairment Testing, an impairment charge is required to be recognised when the carrying value of assets is greater than their recoverable amount for any particular Cash Generating Unit ("CGU"). Cash Generating Units are measured on a state based operational level. As a consequence, an impairment charge of $11.612 million (31 December 2014: $nil) has been recognised against the value of cranes and travel towers held in the following Cash Generating Units:

	Impairment charge $m	Post impairment Net book value $m
Aitkin CGU	2.497	11.308
Victoria CGU	0.700	7.438
New South Wales CGU	2.482	53.899
Queensland CGU	0.737	35.606
South Australia CGU	0.310	28.874
Western Australia CGU	4.886	75.449
	11.612	212.575

When conducting the 31 December 2015 impairment testing, the Group utilised an independent valuation of the assets as the primary source of reference. The Group did not make any allowance for costs to sell as they were deemed immaterial given the Group's in house expertise and track record of successful asset sales. The Group has classified the assessment as Level 2 in the fair value hierarchy where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly".

7. Impairment (continued)

Assets Classified As Held For Sale

Assets classified as held for sale at half-year end consists of cranes, transport equipment, and plant & equipment in the Lifting Solutions segment that are no longer in use and are available for immediate sale.

All assets held for sale are measured at their fair value less cost to sell. Fair value was determined in the same manner as that disclosed above under Property, Plant and Equipment.

The balance in the Group's assets classified as held for sale account at 31 December 2015 is $10.637 million (30 June 2015: $8.810 million). All assets classified as assets held for sale have been reviewed to ensure they are being carried at their recoverable amount less any selling costs. An impairment charge of $5.866 million (31 December 2014: $1.623 million) has been recorded in the profit and loss in respect of these assets.

8. Income Tax

	Note	**2015 $'000**	2014 $'000
A reconciliation between (benefit) and the accounting loss before income tax (multiplied by the Group's applicable income tax rate) is as follows:			
Accounting loss before tax from continuing operations		**(24,305)**	(5,035)
At the Group's statutory income tax rate of 30% (2014: 30%)		**(7,292)**	(1,511)
Expenditure not allowable for income tax purposes		**29**	32
Adjustments in respect of current income tax of previous years		**-**	(198)
Current year losses for which no deferred tax asset is recognised		**3,239**	-
Income tax (benefit) reported in the consolidated interim income statement		**(4,024)**	(1,677)

For the six months period to 31 December 2015, the Group has unused tax losses of $3.239 million (31 December 2014: $nil) that have not been recognised as a deferred tax asset based on an assessment of the probability that sufficient taxable profit will be available to allow the tax losses to be utilised in the near future.

Together with the unused tax losses carried forward from previous financial years of $8.188 million, the Group has a total of $11.427 million of unused tax losses not recognised as at 31 December 2015. The unused tax losses remain available indefinitely.

The Group has recognised $9.410 million of unused tax losses where it was deemed sufficient taxable profit will be available to allow the tax losses to be utilised in the near future.

9. Interest Bearing Loans And Borrowings

	31 December 2015 $'000	30 June 2015 $'000
Current		
Other interest bearing liabilities - Insurance premium funding	**867**	-
Secured bank loans	**14,700**	25,931
Total current interest bearing liabilities	**15,567**	25,931
Non current		
Secured bank loans	**37,500**	52,050
Total non-current interest bearing liabilities	**37,500**	52,050
Total interest bearing liabilities	**53,067**	77,981

	Carrying amount	
Other interest bearing liabilities - Insurance premium funding	**867**	-
Secured bank loans	**52,500**	78,431
Prepaid borrowing costs	**(300)**	(450)
	53,067	77,981

The following changes in interest bearing liabilities occurred during the half-year ended 31 December 2015:

Balance at 1 July 2015	**77,981**
Drawdown	
Syndicated bank loan	**-**
Insurance premium funding	**2,889**
Repayments	
Repayment of borrowings	**(27,953)**
Other movements	
Net movement of finance costs	**150**
Balance as at 31 December 2015	**53,067**

9. Interest Bearing Loans and Borrowings (continued)

Syndicated debt facility

The Group's syndicated debt facility has a current facility limit of $67.5 million. At reporting date, the amount drawn was $52.5 million with $15.0 million of undrawn facility available for use.

The facility limit amortises by $7.5 million per quarter to $37.5 million over its remaining life. The facility has an expiry date of January 2017.

Covenant position

Throughout the period and as at 31 December 2015, the Group was in compliance with all banking covenants.

Gearing ratio

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

	31 December 2015 $'000	30 June 2015 $'000
Interest bearing loans and borrowings	**53,067**	77,981
Less: cash and cash equivalents	**(1,285)**	(6,995)
Net debt	**51,782**	70,986
Total equity	**178,104**	198,276
Gearing ratio	**29%**	36%

10. Contributed Equity

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

	31 December 2015	
	No. of shares	**$'000**
Movements in ordinary shares on issue		
At 1 July 2015 and at 31 December 2015	**474,868,764**	**318,065**

11. Dividends Paid and Proposed

There were no dividends paid or proposed during the half-year.

12. Commitments and Contingencies

Commitments
At 31 December 2015, the Group has no capital commitments for the purchase of property, plant and equipment (31 December 2014: $1.1 million).

Contingencies
Since the last annual reporting date, there has been no material change to any contingent assets or contingent liabilities.

13. Events After The Balance Sheet Date

Dividend
On 17 February 2016, the Directors of Boom Logistics Limited declared that no interim dividend would be paid for the half-year ended 31 December 2015.

Directors' Declaration

1. In the opinion of the Directors of Boom Logistics Limited ("the Company"):

   (a) the consolidated interim financial statements and notes that are set out on pages 7 to 24 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

      (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

John Robinson	Brenden Mitchell
Chairman	**Managing Director**

Melbourne, 17 February 2016

KPMG

Independent auditor's review report to the members of Boom Logistics Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Boom Logistics Limited, which comprises the consolidated interim statement of financial position as at 31 December 2015, consolidated interim income statement, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year period.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Boom Logistics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding the ability of the Group to continue as going concern

Without modifying our conclusion, we draw attention to Note 3 to the financial report which describes the going concern basis of preparation of the interim financial report, the requirement to renew or replace the Group's debt facility before January 2017 and management's planned initiatives to respond to difficult trading conditions. These matters indicate the existence of a material uncertainty which may cast doubt over the Group's ability to continue as a going concern and realise the value of assets in the ordinary course of business and at the amounts stated in the financial report.

KPMG

KPMG

Paul McDonald

Paul McDonald
Partner

Melbourne

17 February 2016