ABN 28 095 466 961

ANNUAL FINANCIAL REPORT 2017

Table of Contents

Table of Contents

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 financial year ended 30 June 2017.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Maxwell John Findlay BEcon, FAICD (Non-executive Chairman) (appointed 18 July 2016 as Director and 30 September 2016 as Chairman)

Mr. Findlay was Managing Director and Chief Executive of industrial services company Programmed Group from 1990 until his retirement from executive life in 2008. Since retiring as an executive, Mr. Findlay has engaged in various non-executive roles in industrial services, engineering and government. He is currently Chairman of the Snowy Mountains Engineering Corporation and was previously Director of EVZ Limited and The Royal Children's Hospital. During the past three years, Mr. Findlay has held ASX listed public company Directorships with EVZ Limited (2008 to 2017) and Skilled Group Ltd (2010 to 2015).

On 30 September 2016, Mr. Findlay was appointed Chairman of the Boom Logistics Risk Committee, Nomination & Remuneration Committee and the Health, Safety, Environment & Quality Committee.

Brenden Clive Mitchell BSc (Chem), BBus (Multidiscipline) (Managing Director) (appointed 1 May 2008)

Mr. Mitchell worked for over ten years leading multifaceted and multi-location businesses for Brambles in Australia and the UK. He has previous experience in the fast moving consumer goods sector and upon moving to Brambles, Mr. Mitchell held senior positions in the equipment hire and the high compliance waste industry. Mr. Mitchell's last position for Brambles was leading the capital and people intensive municipal business in the UK with revenue of $550 million and 6,000 employees. During the past three years, Mr. Mitchell has not held any other ASX listed public company Directorships.

Jean-Pierre Buijtels MSc (International Business) (Non-independent, Non-executive Director) (appointed 2 June 2017)

Mr. Buijtels is the portfolio manager of Gran Fondo Capital, a Dutch mutual fund. Since 2007 he has been investing in private equity and public equity at 3i, Gimv and Strikwerda Investments. He has been involved at board level at several companies, currently as observer at Constellation Software Netherlands Holding Coöperatief U.A (a subsidiary of Constellation Software Inc. and the indirect owner of Total Specific Solutions). Since the date of appointment, Mr. Buijtels has not held any other ASX listed public company Directorships.

DIRECTORS' REPORT (continued)

Directors (continued)

Terrence Charles Francis DBus (hon. causa), BE (Civil), MBA, FIE Aust, FAICD, FFin (Non-executive Director) (appointed 13 January 2005)

Mr. Francis is currently a Non-executive Director of the Infrastructure Specialist Asset Management Limited (appointed 29 September 2006). He has over 15 years experience on government and private sector boards and he advises business and government on project development. Previously Mr. Francis was Vice President of Continental Illinois Bank, Executive Director of Deutsche Bank Australia, and Chief Executive Officer of Bank of America in Australia. During the past three years, Mr. Francis has not held any other ASX listed public company Directorships. Mr. Francis is Chairman of the Boom Logistics Audit Committee.

Terence Alexander Hebiton (Non-executive Director) (appointed 22 December 2000)

Mr. Hebiton commenced his commercial career in the rural sector. In 1989, he acquired various business interests associated with land and property rental developments. In the late 1990s, Mr. Hebiton was Managing Director of Hazdon Holdings Pty Ltd. He is currently a Director of a number of private companies. He was a principal of Alpha Crane Hire, one of the founding entities of Boom Logistics. Mr. Hebiton was the CEO of Boom Logistics at its formation and ceased being an Executive Director in 2004. During the past three years, Mr. Hebiton has not held any other ASX listed public company Directorships.

Rodney John Robinson BSc, MGSc (Non-executive Chairman) (appointed 15 November 2002) (retired 30 September 2016)

Mr. Robinson was formerly Managing Director and CEO of Ashton Mining Limited and Non-executive Chairman of Global Mining Investments Limited. During the past three years, Mr. Robinson has not held any other ASX listed public company Directorships. Mr. Robinson was Chairman of the Boom Logistics Risk Committee, Nomination & Remuneration Committee and the Health, Safety, Environment & Quality Committee.

Company Secretary

Malcolm Peter Ross BBus, LLB, LLM, GradDipACG, AGIA (appointed Company Secretary 22 September 2014)

Mr Ross joined the Company on 7 November 2011 as General Counsel and in addition to those responsibilities was appointed Company Secretary on 22 September 2014. Following admission as a solicitor in Victoria in 1997, he worked with Harwood Andrews and then Hall & Wilcox Lawyers. In 2002, he joined InterContinental Hotels Group Plc (FTSE-listed) based in Singapore where his final position was Vice-President and Associate General Counsel with responsibility for Asia Australasia.

DIRECTORS' REPORT (continued)

Directors’ Interests in the Shares and Options of the Company

As at the date of this report, the interests of the Directors in the shares of Boom Logistics Limited were:

Name	*Ordinary Shares*
M.J. Findlay	-
B.C. Mitchell	3,057,235
J-P. Buijtels [a]	-
T.C. Francis	185,745
T.A. Hebiton	547,995

[a] Mr. Buijtels is employed by Rorema Beheer B.V., the fund manager (**the Fund Manager**) of the fund Gran Fonda Capital (**the Fund**) which holds 70,760,675 shares in Boom logistics Limited (the Company). Mr. Buijtels' remuneration is partly linked to the performance of the Fund, which is influenced by the performance of the shares of the Company as long as the Fund holds shares in the Company. Mr. Buijtels holds a minority economic interest of less than 5% of the units of the Fund and thereby indirectly an economic interest in the Company as long as the Fund holds shares in the Company. The Fund is open-ended and Mr. Buijtels can redeem his units in the Fund against their net asset value minus redemption fee at each transaction day of the Fund. Mr. Buijtels is not a director of the Fund Manager, and does not have the power to exercise votes, control the exercise of votes, dispose of or control the disposal of the Fund's shares in the Company. However, he can influence the decision-making process of the director of the Fund Manager in his capacity as its portfolio manager.

Directors Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

Name of director	*Board of Directors*		*Audit Committee*		*Nomination and Remuneration Committee*		*Health, Safety, Environment & Quality Committee*		*Risk Committee*	
	Held	*Attended*	*Held*	*Attended*	*Held*	*Attended*	*Held*	*Attended*	*Held*	*Attended*
M.J. Findlay [1]	12	12	6	6	1	1	4	4	2	2
B.C. Mitchell	12	12	-	-	1	1	4	4	2	2
J-P. Buijtels [2]	1	1	-	-	1	1	-	-	-	-
T.C. Francis	12	12	6	6	1	-	4	4	2	2
T.A. Hebiton	12	12	6	6	1	1	4	4	2	2
R.J. Robinson [3]	2	2	2	2	-	-	1	1	-	-

[1] On 30 September 2016, Maxwell Findlay was appointed Chairman of the Risk Committee, Nomination & Remuneration Committee and Health, Safety, Environment & Quality Committee.
[2] Attendance from date of appointment.
[3] Attendance prior to retirement.

Corporate Structure

Boom Logistics is a company limited by shares that is incorporated and domiciled in Australia. Boom Logistics Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are listed in note 29 to the financial statements.

DIRECTORS' REPORT (continued)

Indemnification and Insurance

The Company has entered into Deeds of Access, Indemnity and Insurance with each of the Directors and the Company Secretary, under which the Company indemnifies, to the extent not precluded by law from doing so, those persons against any liability they incur in or arising out of discharging their duties. No indemnity has been granted to an auditor of the Group in their capacity as auditor.

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

Nature of Operations and Principal Activities

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

Operating and Financial Review

Statutory result

Boom Logistics Limited ("Boom" or "the Group") recorded a statutory net loss after tax for the financial year ended 30 June 2017 ("FY17") of $22.6 million (FY16: net loss of $30.2 million). Statutory earnings before interest expense, tax, depreciation and amortisation (EBITDA) was a loss of $1.3 million (FY16: loss of $9.4 million) whilst statutory earnings before interest expense and tax (EBIT) was a loss of $19.5 million (FY16: loss of $29.0 million).

Trading result

	30-Jun-17 $'m	30-Jun-16 $'m	Change %
Revenue from Services	150.1	152.3	-1%
Operating Costs	(139.5)	(141.1)	-1%
Trading EBITDA	**10.6**	**11.2**	-5%
Add: Non-Trading Income (a)	2.7	0	
Less: Non-Trading Expenses (b)	(2.7)	(1.8)	
Less: Loss on Sale of Assets	(0.3)	(0.4)	
Impairment of Operating Fleet	(8.9)	(11.6)	
Impairment of Assets Held for Sale	(2.8)	(6.8)	
Statutory EBITDA	**(1.3)**	**(9.4)**	86%
Depreciation and Amortisation	(18.2)	(19.6)	
Statutory EBIT	**(19.5)**	**(29.0)**	33%

(a) proceeds of legal settlement in favour of Boom Logistics relating to the long running glove and barrier legal claim
(b) includes restructuring expense of $2.2m (FY16: $1.5m) and $0.5m (FY16: $0.3m) of legal fees that are disclosed within other expenses on the face of the Income Statement

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

FY17 Statutory EBITDA result includes:

- Income of $2.7 million for a legal settlement in favour of Boom relating to the long running glove and barrier matter. $1.3 million of this amount was received in cash during FY17 with the balance to be received in FY18. Boom also expects to receive $1.7-$2.0 million in FY18 as compensation for legal costs incurred in pursuing the claim. The amount to be received is subject to court process and has not been recognised in FY17.
- $0.5 million of legal costs incurred during the year in relation to the glove and barrier legal matter.
- Restructuring costs of $2.2 million incurred predominantly in relation to the Group's decision to reduce its exposure to the West Australian market.
- Loss on sale of assets of $0.3 million.
- A non-cash impairment charge of $8.9 million applied to assets in the operating fleet.
- A non-cash impairment charge of $2.8 million applied to assets held for sale.

After adjusting for these non-trading income and expenses, Boom's trading EBITDA for FY17 was a profit of $10.6 million (FY16: $11.2 million).

Boom's depreciation and amortisation expense for the year was $18.2 million (FY16: $19.6 million) with statutory EBIT at a loss of $19.5 million (FY16: loss of $29.0 million).

FY17 additional key points

- Growth realised in second half of financial year:
    - Revenue in second half of FY17 was 6% up on revenue in second half of FY16.
    - Trading EBITDA in second half of FY17 was up $1.6 million on trading EBITDA in second half of FY16.
- Positive free cash flow of $5.2 million (FY16: $22.2 million) after:
    - Funding $4.0 million of capital expenditure (FY16: $1.8 million).
    - Realising $2.9 million (FY16: $15.7 million) from asset sales. Asset sales reduced in line with the improved performance trend on the East Coast with assets previously identified as held for sale being used to pursue new profitable work.
    - Funding $3.7 million of net interest expense (FY16: $4.1 million).
- Net debt further reduced to $45.1 million (30 June 2016: $49.2 million).
- Net Tangible Assets per share of $0.31 (30 June 2016: $0.35).

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

Review of operations in FY17

Boom's safety performance continues to be a key operational focus with the emphasis on risk management, leadership and assurance. Boom achieved a reduction in Total Recordable Injury Rate ("TRIFR") to 8.2 at the end of the year.

The operating environment remained difficult throughout the year. The conditions in the North West were particularly challenging with the environment on the East Coast being comparatively stronger. The Group balances the need to retain assets for growth in stronger markets against the decision to sell or relocate assets that are unable to generate an acceptable return on capital in weaker markets. Accordingly Boom has moved a significant number of assets to the East Coast during the second half of the year.

The Group has reduced its crane business in the North West but has enhanced its labour hire business in the region. This has allowed the Group to further cut overheads, benefitting the profitability of the business in the South West, and to better capitalise on the increased activity in the infrastructure markets and growth in resources contracts experienced on the East Coast. To drive a consistent approach across the country Tony Spassopoulos has been appointed to the position of Chief Operating Officer (previously Executive General Manager – East Coast).

East Coast

The East Coast business demonstrated strong growth over the year with revenues from the East Coast operations up 11% over the prior year. The substantial cost saving initiatives that Boom has undertaken over the previous years has resulted in a competitive cost structure that is assisting Boom to be successful in a number of tender opportunities. During the year Boom has been successful in:

- Renewing the maintenance contract at Olympic Dam for a further 5 years;
- Winning a competitive tender for the smelter shutdown work at Olympic Dam that will commence in the first quarter of FY18 with an expected revenue of $6-8 million;
- Renewing or extending the contracts for two major resources customers in the Hunter Valley and Queensland;
- Securing the maintenance contract with Glencore for one new coal mine site in the Hunter Valley and three new sites in Queensland (work at two of the Queensland site will commence in FY18);
- Securing a contract to supply labour to Esso's offshore oil and gas platforms in the Bass Strait; and
- Securing a contract to construct the nine turbine Kiata wind farm in Western Victoria in the first quarter of FY18. Contracts for the construction of a further two wind farms with combined revenue of circa $14 million have also been secured in FY18. These projects are set to commence in the first half of FY18.

The success with tenders drove strong growth in the second half of FY17 and will continue to generate further growth in FY18. Importantly the contract wins support the key facets of Boom's strategic initiatives:

- Working with our existing customers to deliver value and to exceed their service level expectations. Boom recognises the value of its customer base and constantly strives to outperform expectations ensuring that it is best placed to deliver on any project work that arises over and above the regular maintenance work;
- Targeting and winning key new contracts to increase operational leverage around existing depot overhead structures which will improve net profit margins going forward;
- Driving growth in infrastructure and wind farm markets; and

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

- Broadening and enhancing service offerings to existing and new customers through the provision of a diverse range of labour services.

West Coast

The West Coast was particularly impacted by an oversupply of cranes in the region together with reduced infrastructure spending. This created intense competition for ad hoc work which has in turn depressed prices. In addition, Boom was unsuccessful during the year in securing a major contract in the North West. A significant amount of capital had been retained in the region with the intention of servicing the contact with no profitable alternative use in the short term in the North West. In response to these conditions Boom has:

- Reduced its presence in the North West and moved 33 assets to the East Coast to capitalise on the contract wins that Boom has delivered in FY17 and provide capacity for further growth in FY18;
- Successfully implemented profit improvement initiatives in the South West that delivered significant half on half growth in Western Australia in the second half of FY17; and
- Significantly reduced the overhead structure to further improve on-going profitability in FY18.

A summary of the revenue impacts in FY17 is shown below:

	Impact on FY17 Revenue	
Closure of unprofitable depots in current and prior periods	Decrease	$8 million
Continued wind down of Barrow Island LNG project	Decrease	$5 million
Increased activity across Boom's operating depots	Increase	$11 million
Total Revenue	Decrease	$2 million

The second half of FY17 achieved revenue and profit growth compared to both the first half of FY17 (which given seasonal trends is traditionally stronger than the second half) and the second half of FY16. The business restructuring has positioned the Group to maintain this momentum into FY18. The Group will continue to demonstrate operational excellence, a strong safety record and maintain an efficient cost structure as it delivers revenue and profit growth in FY18.

Other

During the year the Group reached a legal settlement with regard to the long running glove and barrier matter. The settlement resulted in a payment for damages of $2.7 million to be made to Boom plus an amount for Boom's legal fees, to be agreed or assessed by court process.

At 30 June 2017 Boom recognised $2.7 million as non-trading income in relation to the settlement, of which $1.3 million had been received as cash at balance date. The remaining $1.4 million is expected to be received in FY18 together with the amount for Boom's legal fees.

At 30 June 2017 there was insufficient certainty over the amount and timing of the reimbursement of legal costs to recognise a balance in the financial statements. It is expected that an amount of circa $1.7-$2.0 million will be received in FY18. The amount and timing of the receipt is subject to court process.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

Operational improvement strategy

Over the period Boom has been pursuing a strategy to improve its operational flexibility and profitability by:

- Improving the flexibility of its cost base to ensure that the costs can be better matched to the volatile nature of the revenue. During FY17 operating costs declined by 1%, in line with a 1% decrease in revenue. Overall gross margin was 27.1% (FY16: 28.2%).
- Increasing the operational leverage around existing depot infrastructure by targeting new revenue in key geographies. In particular, a number of new contracts with Glencore and BMA have been secured in Queensland. These contracts helped to achieve strong revenue growth and profit improvement in the region in FY17 with further improvement expected in FY18.
- Boom has generated significant revenue from its work in infrastructure markets. During FY17 relationships with key customers have been strengthened and further growth is expected in FY18. In particular, Boom expects the wind farm markets to generate significant revenue, both through construction projects and maintenance. To date circa $16 million of revenue has been contracted for FY18. No wind farm construction revenue was generated in FY17.
- Boom has developed a new labour hire business (“readi”) that delivers an integrated labour solution to both existing and new customers. readi currently supplies labour to support key Boom contracts in Western Australia and will broaden that offering to its East Coast markets in FY18. The readi business has also begun to generate revenue from new customer relationships with a labour only service offering across multiple trades. This growth is expected to continue in FY18.

<u>Operating fleet rebalancing and proceeds from surplus asset sales</u>

Sales of surplus assets declined during FY17 with cash proceeds realised of $2.9 million (FY16: $15.7 million). A loss of $0.3 million against book value was recorded on the sale of these assets in FY17 (FY16: loss of $0.4 million).

Recent years have delivered asset sale volumes that have funded substantial debt reductions. This program has now largely been completed with the overall operating fleet now considered to be of an appropriate size and capacity for the Group’s current operations. The Group will continue to rebalance its operating fleet in the ordinary course of business with older or obsolete assets released for sale. The Group balances retaining assets for growth in strong areas and selling assets that are unable to generate an acceptable return on capital employed in challenging markets.

The key operational focus in the second half of FY17 has been the rebalancing of the fleet from the West Coast to the East Coast to capitalise on the growth being experienced on the East Coast and to position the Group for further growth in FY18. 22 assets have been moved from the North West across into Queensland and NSW, predominantly to service the new contracts that were secured in the second half of FY17. A further 11 assets have been moved to Olympic Dam to complete the smelter shutdown project that will be undertaken in the first half of FY18.

On completion of the smelter project these assets will be moved to the East Coast to provide capacity for further growth and to replace a number of older assets currently in service on the East Coast which will then be released for sale.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

<u>Capital expenditure</u>
Boom maintains its fleet of cranes and travel tower assets to a high standard. In addition to the on-going operational maintenance program Boom conducted a program of 10 year inspections on applicable assets during the year. The capital expenditure incurred in FY17 of $4.0 million (FY16: $1.8 million) predominantly comprised of the costs of these inspections and also included approximately $0.5 million in relation to enhancements made to two heavy lift cranes to equip them for specific wind farm and infrastructure work.

To meet market opportunities that may arise in FY18 Boom is exploring a number of options to access specialised assets to match opportunities.

<u>Working capital management</u>
The pressure on working capital continued in FY17. Certain major customers increased their agreed payment terms during the year and payment terms continued to be stretched across the customer base.

Boom's Debtor Days ratio (Trade Receivables/ Operating Revenue x 365 days) was 61.8 days (FY16: 60.2 days). Working capital will continue to be a focus in FY18 as expected growth in project revenue places further pressure on working capital management.

<u>Non-cash fixed asset impairments</u>
Boom tests for asset impairments at each financial reporting date in keeping with the requirements of Australian Accounting Standards Board (AASB) standards *AASB 5: Non-current Assets Held for Sale and Discontinued Operations* and *AASB 136: Impairment of Assets*.

Assets held for sale
- Assets are classified as Assets Held For Sale ("AHFS") when the carrying amounts of these assets are expected to be recovered principally through a sale transaction rather than through continuing use.
- AHFS are measured at the lower of carrying amount or fair value less costs to sell and are recognised as current assets.

Impairment of assets
- Boom refers to assets that are in continuing use as assets in the operating fleet or operating assets. These assets are deployed in Boom's State-based business units which are regarded as Cash Generating Units (CGUs) in the application of this accounting standard.
- Impairments are required when the total carrying amount of the assets within a CGU exceeds the fair value of assets in the CGU, as determined by an independent expert valuer.

Based on these assessments, Boom has recognised impairments of $11.7 million in FY17 (FY16: $18.4 million), comprising $2.8 million applied to assets in AHFS (FY16: $6.8 million) and $8.9 million applied to assets in the operating fleet (FY16: $11.6 million).

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

The valuation of the operating fleet has been impacted by:

- Manufacturers reducing their new crane prices during the year with an associated impact on prices in the second hand market; and
- A larger than usual number of cranes being auctioned over the second half of FY17 further to the forced sale of assets by a national company in the period which depressed used crane valuations.

Boom has also realigned its depreciation policy for its crane fleet to better reflect the asset values as reported by the independent valuers over recent periods. The useful life of assets greater than 20 tonnes has been reduced to a 15 year term (previously 20 years) with residual values adjusted to approximate the independently assessed values of the assets at this age.

The impairments are non-cash adjustments and have reduced Boom’s net tangible asset backing per share by approximately $0.02 per share. Boom’s net tangible assets per share at 30 June 2017 were $0.31 per share (30 June 2016: $0.35).

<u>Interest bearing loans and borrowings</u>
During the year Boom refinanced its loan facilities to increase operational flexibility, reduce required amortisation and provide a platform to fund growth.

Boom reduced its gross debt by $3.7 million to $47.3 million at 30 June 2017 (FY16: $51.0 million).

$2.7 million of this reduction related to payments made under the amortising asset finance facility with De Lage Landen Pty Limited which has a facility end date of August 2021.

Boom’s securitised trade receivables lending facility with Assetsecure was drawn to $15.0 million at 30 June 2017. The facility limit is $20 million and is non-amortising over the loan term which expires in August 2019.

Boom’s syndicated loan facility with NAB and ANZ was drawn to $10.0 million at 30 June 2017 with $2.5 million undrawn. This facility expires in July 2019 and requires amortisation payment of between $nil and $2.5 million on 1 January and 1 July depending on the earnings leverage ratio recorded at the end of the quarter preceding the prepayment.

Gearing (net debt/ equity) increased to 31% at 30 June 2017 (30 June 2016: 29%) as a result of the impact of the asset impairment noted above.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

FY18 growth initiatives

Boom has a program of growth initiatives that will drive growth in revenue and profit in FY18. These include:

- Continue to leverage critical mass from current operating network:
  - Boom has achieved considerable success over FY17 in the Queensland geography with a number of new contracts being won utilising the existing depot network. In FY18 Boom intends to target a number of additional new contracts in the region utilising the existing fleet and assets transferred from Western Australia.
- Capitalise on new market opportunities:
  - Continue to expand revenues in infrastructure markets taking advantage of the growing pipeline of opportunities;
  - Target opportunities in the wind farm sector, in particular, as a number of projects begin construction in FY18.
- Develop and expand new service offering:
  - Support the delivery of projects and shutdowns across the Boom Logistics customer base;
  - Expand the offer of labour hire services to new and existing customers.

Boom expects the improvements shown in the second half of FY17 to continue into FY18. The business will achieve a full year benefit from the new contracts won during FY17 in addition to new contracts won that will commence in FY18.

Significant Changes in the State of Affairs

During the financial year, several restructuring programs were undertaken throughout the Group. The restructuring programs were undertaken in response to the varying operating conditions experienced across the country and comprised the following actions:

- A strategic review of returns on capital across the business and operating fleet;
- A decision to move a significant number of assets to the better performing East Coast markets further to a decline in trading conditions for the crane business in the North West;
- A consequent reduction in the presence of the crane business in the North West offset in part by an enhancement in activity of the Group's labour hire business, 'readi', in the region;
- A reduction in the overhead structure in the West Coast; and
- Implemented profit improvements initiatives in the South West to improve on-going profitability.

The total restructuring costs incurred in the year were $2.191 million.

Significant Events After the Balance Date

Dividend

On 25 August 2017, the Directors of Boom Logistics Limited declared that no final dividend would be paid for the financial year ended 30 June 2017.

DIRECTORS' REPORT (continued)

Likely Developments and Expected Results

The Directors expect performance to improve as a result of further reducing operating costs, building new revenue in key geographies, expanding services in the infrastructure markets and expanding the range of labour hire services offered to customers.

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

Environmental Regulation and Performance

The Board confirms that the Group has adequate systems and processes in place to manage and comply with environmental regulations as they apply to the Group. This includes the National Greenhouse and Energy Reporting Act 2007 which requires the Group to report energy consumption and greenhouse gas emissions for the 12 months ended 30 June 2017 and future periods.

There have been no significant known breaches of any environmental regulations to which the Group is subject.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Boom Logistics Limited have followed recommendations set by the ASX Corporate Governance Council. For further information on corporate governance policies adopted by Boom Logistics Limited, refer to our website: www.boomlogistics.com.au/about-us/corporate-governance and Annual Reports.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited

The Directors of Boom Logistics Limited present the Remuneration Report for the Company and the Group for financial year ended 30 June 2017 ("FY17"). This report outlines the remuneration arrangements in place for non-executive directors ("NEDs") and the Managing Director and Senior Executives ("Executive KMP").

Key management personnel ("KMP") are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

Remuneration Overview

Executive Remuneration Framework

- Following a comprehensive review of the Group's remuneration framework during the financial year ended 30 June 2016, the Company implemented a new Executive Remuneration Plan for FY17. The three key elements of the remuneration framework as set out in the Remuneration Report for the year ended 30 June 2017 drove alignment with shareholder value through allocation of equity in part substitution for cash remuneration. In relation to the short term incentive plan and long term incentive plan, vesting is subject to performance hurdles being met.
- The Board has established new performance hurdles for FY18 and approved a continuation of the remuneration framework for FY18, subject to shareholder approval in respect of the Managing Director's participation. The three key elements of the framework are as follows:

    1) **Salary sacrifice Rights Plan ("SSRP"):** Executive KMP will be permitted to elect to sacrifice a portion of their fixed annual reward ("FAR") for a grant of rights to acquire shares in the Company ("Rights") equal in value to the amount of FAR sacrificed. Rights will be subject to an exercise restriction of no less than twelve months.

    2) **Short Term Incentive Plan ("STIP"):** This program is focused on the Company's short term objectives. Executive KMP will be required to accept at least 50% of their STIP entitlement as Rights, subject to meeting the performance hurdle based on operating cash flows over the financial year as determined by the Board. The Board considers a cash flow hurdle provides a strong and appropriate short term incentive which is aligned with shareholder interests.

    3) **Long Term Incentive Plan (LTIP):** the award focuses on the Company's long term objectives (3 year period) and is intended to reward Executive KMP (subject to annual performance hurdles being met) through the grant of ordinary share options. The options are subject to annual progressive performance hurdles and some or all may vest at the end of the three year period if the hurdles are met. The hurdles are based on absolute earnings per share which the Board considers to support strong alignment with shareholders' longer term outlook and expectations of a return on their investment in the Company.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Remuneration Overview (continued)

Executive Remuneration for FY17

- The introduction in FY17 of the new Executive Remuneration framework provided opportunity for KMP to participate in the SSRP and enabled a cash salary saving of $159,718 to the Company in FY17. The Company expects to utilise unallocated shares in its legacy executive share trust to satisfy its obligations for FY17 upon the exercise of share rights for shares.
- The total annual remuneration cost of the Company's Executive KMP in FY17 increased by $496,635 or 25% year on year, however this reflects the inclusion of the General Manager of the readi business unit as a new KMP and the non-cash value of SSRP rights and options issued under the LTIP.
- Remuneration of the CEO & Managing Director has remained unchanged since 2014, however Mr. Mitchell participated in the SSRP to the value of $135,000.
- KMP who meet performance hurdles under the STIP will receive 50% of their STIP award as rights for ordinary shares and the balance in cash.
- The performance hurdle for LTIP options issued in FY17 approved by shareholders at the AGM on 27 October 2016 is an earnings per share of $0.02 at the end of the third year.
- Share units allocated to Executive KMP on 30 October 2013 under the legacy Long Term Incentive Plan did not meet the vesting conditions and lapsed. This released 2,276,119 ordinary shares which are available for allocation under the new Executive Remuneration framework.

Non-executive Directors

- The Directors' Remuneration Pool approved by members in 2004 remains unchanged. Directors fees for non-executive directors have remained unchanged since 2004, save that upon his appointment to the Board on 2 June 2017, Mr Buijtels agreed he shall not receive a directors fee but the Company will pay his travel and accommodation costs while attending Board and Committee meetings in Australia, currently up to a maximum of $65,700 per financial year.

Principles of Remuneration Practices

Following a comprehensive review of the Group's remuneration framework during the financial year ended 30 June 2016 based on considerations of market practice and under advice from Ernst & Young, the Company implemented a new Executive Remuneration Plan for FY17. The three key elements of the remuneration framework as set out in the Remuneration Report for the year ended 30 June 2017 drove alignment with shareholder value through allocation of equity in part substitution for cash remuneration. In relation to the short term incentive plan and long term incentive plan, vesting is subject to performance hurdles being met.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Principles of Remuneration Practices (continued)

The three key elements of the framework are as follows:

1) **Salary sacrifice Rights Plan :** Executive KMP will be permitted to elect to sacrifice a portion of their fixed annual reward for a grant of rights to acquire shares in the Company equal in value to the amount of FAR sacrificed. Rights will be subject to an exercise restriction of no less than twelve months.

2) **Short Term Incentive Plan:** This program is focused on the Company's short term objectives. Executive KMP will be required to accept at least 50% of their STIP entitlement as Rights, subject to meeting the performance hurdle based on operating cash flows over the financial year as determined by the Board. The Board considers a cash flow hurdle provides a strong and appropriate short term incentive which is aligned with shareholder interests.

3) **Long Term Incentive Plan:** the award focuses on the Company's long term objectives (3 year period) and is intended to reward Executive KMP (subject to annual performance hurdles being met) through the grant of ordinary share options. The options are subject to annual progressive performance hurdles and some or all may vest at the end of the three year period if the hurdles are met. The hurdles are based on absolute earnings per share which the Board considers to support strong alignment with shareholders' longer term outlook and expectations of a return on their investment in the Company.

The Group's remuneration practices are designed to maintain alignment with business strategy, shareholder interests and business performance whilst ensuring remuneration is appropriate. The Executive KMP remuneration framework and KMP remuneration is reviewed annually by the Board with the assistance of the Nomination & Remuneration Committee.

In conducting the Executive KMP remuneration review, the following principles are applied:
- Monitoring against external competitiveness, as appropriate using independent market survey data comparing the Group's remuneration levels against industry peers in terms of comparable job size and responsibility;
- Internal equity, ensuring Executive KMP remuneration across the Group is based upon a clear view of the scope of individual positions and the respective responsibilities;
- A meaningful "at risk" component with entitlement dependent on achieving Group and individual performance targets set by the Board of Directors and aligned to the Group's strategy; and
- Reward for performance represents a balance of annual and longer term targets.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Nomination and Remuneration Committee

The Group is committed to ensuring remuneration is informed by market data and linked to the Group's strategy and performance. In doing so, the Board of Directors rely on the advice provided by the Nomination and Remuneration Committee including:

- Reviewing and making recommendations with regard to remuneration policies applicable to the Directors, Executive KMP and employees generally;
- Reviewing and making recommendations in relation to the remuneration of Directors and Executive KMP;
- Reviewing and recommending general remuneration principles, including incentive schemes, bonuses and share plans that reward individual and team performance;
- Reviewing and making recommendations to the Board of Directors with regard to termination policies and procedures for Directors and Executive KMP;
- Reviewing and making recommendations in relation to the Group's superannuation arrangements; and
- Reviewing and approving the annual Remuneration Report and making recommendations to the Board of Directors for the inclusion of the Remuneration Report in the Group's annual report.

The Nomination and Remuneration Committee comprises only Non-executive Directors, three of whom are independent directors and is chaired by the Chairman of the Board of Directors. From time to time, the Nomination and Remuneration Committee also draws upon advice and market survey data from external consultants in discharging its responsibilities (refer page 35).

Details of Key Management Personnel

The tables below set out the KMP and their movements during FY17.

Key Management Personnel (Executive)

Name	Title	Period as a KMP
Brenden Mitchell	Chief Executive Officer & Managing Director	All of FY17
Tony Spassopoulos [a]	Chief Operating Officer	All of FY17
Tim Rogers	Chief Financial Officer	All of FY17
Malcolm Ross	General Counsel & Company Secretary	All of FY17
Paul Neillings [b]	Executive General Manager – West Coast	12/9/2016 to 3/7/2017
Shane Stafford [c]	General Manager – readi	From 1/9/2016
Gary Watson [d]	Executive General Manager – West Coast	1/7/2016 to 30/9/2016

[a] Tony Spassopoulos was appointed Chief Operating Officer on 1 July 2017. He was previously the Executive General Manager – East Coast.

[b] Paul Neillings was appointed Executive General Manager – West Coast on 12 September 2016 and ceased employment with the Company on 3 July 2017.

[c] Shane Stafford was appointed General Manager – readi on 1 September 2016.

[d] Gary Watson ceased employment with the Company on 30 September 2016.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Details of Key Management Personnel (continued)

Key Management Personnel (Non-executive Directors)

Name	Position [a]	Committees			
		Audit	Nomination & Remuneration	Health, Safety, Environment & Quality	Risk
Maxwell Findlay [b]	Chairman	Member	Chairman	Member	Chairman
Jean-Pierre Buijtels	Non-executive Director	-	Member	Member	Member
Terrence Francis	Non-executive Director	Chairman	Member	Member	Member
Terence Hebiton [c]	Non-executive Director	Member	Member	Chairman	Member
John Robinson [d]	Chairman	Member	Chairman	Chairman	Chairman

[a] All non-executive directors are independent, save for Jean-Pierre Buijtels who is not independent.
[b] Maxwell Findlay was appointed to the Board on 18 July 2016 and became Chairman of the Board on 30 September 2016. Mr Findlay ceased to Chair the Health, Safety Environment and Quality Committee on 21 June 2017.
[c] Terence Hebiton was appointed Chairman of the Health, Safety, Environment & Quality Committee on 21 June 2017.
[d] John Robinson retired from the Board and all Committees on 30 September 2016.

Remuneration Arrangements of Executive Key Management Personnel

In the normal course of business, remuneration comprises fixed remuneration (fixed annual reward) and variable or “at risk” remuneration incentives. The Group’s revised remuneration structure for the Executive KMP comprises two main components:

<u>Fixed annual reward</u>

This element comprises base salary, any fringe benefits (e.g. motor vehicle allowance) and employer contributed superannuation. Executive KMP have scope to vary the components that make up their FAR and can tailor their salary package to suit individual requirements.

a) *Salary sacrifice rights plan*
   Eligible executives will be permitted to salary sacrifice a portion of their pre-tax fixed annual remuneration to acquire equity in the form of rights to fully paid ordinary shares in the Company.

   Each right is a right to acquire one ordinary share in the Company. The exact number of rights to be granted is based on the amount of salary sacrificed and the 5 day volume weighted average price prior each month. Rights do not carry any dividend or voting rights. Rights will be granted twice a year following the announcement of the half-year and full-year results or in any event, within twelve months of the Annual General Meeting (“AGM”). Rights will have a twelve month exercise restriction from the relevant grant dates.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Remuneration Arrangements of Executive Key Management Personnel (continued)

Variable remuneration

The Group has a number of variable remuneration arrangements as follows:

b) *Short term incentive plan*

Eligible executives will have the opportunity to receive short term incentives subject to meeting performance hurdles over the financial year. 50% of the STIP outcome achieved for the financial year will be delivered in cash and 50% will be delivered in equity in the form of rights to ordinary shares in the Company.

Each right is a right to acquire one ordinary share in the Company. The exact number of rights to be granted is based on 50% of the STIP outcome divided by the 5 day volume weighted average price after the release of full year results. Rights do not carry any dividend or voting rights. Rights will be granted following the announcement of the full-year results or in any event, within twelve months of the AGM. Rights will have a six month exercise restriction commencing from the grant date.

The objectives of this plan are to:

- Focus Executive KMP on key annual business goals and reinforce the link between performance and reward;
- Allow scope to recognise exceptional performance through a sliding scale of reward;
- Encourage teamwork as well as individual performance in meeting annual goals; and
- Align reward with the Group's values.

c) *Long term incentive plan*

Under the revised LTIP implemented in FY17, eligible executives will be granted options to acquire ordinary shares in the Company, subject to annual progressive performance hurdles and some or all may vest at the end of the three year period if the performance hurdles are met.

Each option is a right to acquire one ordinary share in the Company (or an equivalent cash amount) subject to payment of the exercise price. The exact number of options to be granted will be the LTIP award divided by the option valuation using a Black-Scholes valuation methodology prior to grant date. The option exercise price is calculated based on the 5 day volume weighted average price prior to the grant date. Options do not carry any dividend or voting rights. Options will be granted within twelve months of the Annual General Meeting.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Remuneration Arrangements of Executive Key Management Personnel (continued)

Variable remuneration

c) Long term incentive plan (continued)

Options are subject to a performance hurdle based on absolute Earnings Per Share ("EPS"), which is measured progressively in 3 tranches over a three year performance period. Progressive performance targets will be established by the Board of Directors, however an absolute EPS hurdle must be achieved at the end of year three for any options to vest. There is no pro-rata vesting if this target is not met. The Board of Directors retains a discretion to adjust the EPS hurdle as required to ensure plan participants are neither advantaged nor disadvantaged by matters outside management's control that materially affect absolute EPS (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

Options will be tested in three equal tranches and may vest at the end of the 3 year performance period as follows:

- **Tranche 1 performance:** If the progressive target established by the Board of Directors is met at the end of year one, 1/3 of the options will be eligible to vest at the end of the 3 year performance period (provided the Tranche 3 progressive target is also met).

- **Tranche 2 performance:** If the progressive target established by the Board of Directors is met at the end of year two, 1/3 of the options will be eligible to vest at the end of the 3 year performance period (provided the Tranche 3 progressive target is also met).

- **Tranche 3 performance:** If the overall absolute EPS target is met at the end of year three, 1/3 of the options will be eligible to vest at the end of the 3 year performance period (along with those options that met the progressive targets in respect of Tranches 1 and 2).

The operation of the revised LTIP is conducted through an Employee Share Trust administered by an independent third party – Computershare Ltd. Computershare Ltd was paid $4,924 (2016: $nil) for this service.

The options valuation was undertaken by Ernst & Young and paid $10,197 for this service.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Remuneration Arrangements of Executive Key Management Personnel (continued)

Variable remuneration

c) *Long term incentive plan (continued)*

Legacy LTIP (FY16 and prior years)
Under the legacy LTIP currently still active, the reward was provided for consistent performance over a three year period. The annual value of the reward is converted into the Company's shares at a price determined as the volume weighted average over the five business days preceding the grant date. Vesting requires continued full time employment with the Group over the three year performance period and achieving a ROCE target at the end of the three year performance period. The LTIP plan is based on the Group achieving a ROCE of at least 13% at the end of the three year performance period.

ROCE is defined as Trading Earnings Before Interest Expense & Tax / Average Capital Employed less Goodwill. Trading Earnings Before Interest Expense & Tax is defined as "profit before financing expenses & income tax" less one off, non-recurring items.

Average Capital Employed is calculated with reference to the opening and closing balances of the financial year for: "trade and other receivables", "inventories", "assets classified as held for sale", "plant and equipment", and "trade and other payables". The pre tax investment WACC is determined using the 10 year bond rate as the risk free rate and using data sourced independently to determine the average Beta in Boom Logistics Limited's industry sector.

The operation of the LTIP is conducted through an Employee Share Trust administered by an independent third party – Smartequity Pty Ltd. Smartequity Pty Ltd was paid $13,015 (2016: $16,501) for this service.

No LTIP have vested since 2007 and LTIP will not vest unless Return on Capital Employed ("ROCE") is greater than 13% and service conditions are met.

d) *Other incentive plans*
Executive KMP can receive additional incentive benefits in relation to the delivery of key projects critical to the Group's future performance as assessed by the Nomination and Remuneration Committee. There have been no such incentives paid to any KMP in the last 3 financial years.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Remuneration Arrangements of Executive Key Management Personnel (continued)

The following table shows the potential annual remuneration packages for Executive KMP during the financial year.

Name	Title	Fixed	Variable	
		FAR	STIP % of FAR ^	LTIP % of FAR
Brenden Mitchell	Chief Executive Officer & Managing Director	675,000	40%	45%
Tony Spassopoulos [a]	Chief Operating Officer	436,709	30%	30%
Tim Rogers	Chief Financial Officer	293,248	20%	20%
Malcolm Ross	General Counsel & Company Secretary	259,413	20%	20%
Paul Neillings [b]	Executive General Manager – West Coast	295,004	20%	20%
Shane Stafford [c]	General Manager – readi	237,649	20%	20%
Gary Watson [d]	Executive General Manager – West Coast	350,000	30%	20%

[a] Tony Spassopoulos was appointed Chief Operating Officer on 1 July 2017. He was previously the Executive General Manager – East Coast.

[b] Paul Neillings was appointed Executive General Manager – West Coast on 12 September 2016 and ceased employment with the Company on 3 July 2017.

[c] Shane Stafford was appointed General Manager – readi on 1 September 2016.

[d] Gary Watson ceased employment with the Company on 30 September 2016.

The following table shows the composition of Executive KMP aggregate potential remuneration.

Name	Title	Fixed	Variable	
		FAR	STIP	LTIP
Brenden Mitchell	Chief Executive Officer & Managing Director	54%	22%	24%
Tony Spassopoulos [a]	Chief Operating Officer	62%	19%	19%
Tim Rogers	Chief Financial Officer	71%	14.5%	14.5%
Malcolm Ross	General Counsel & Company Secretary	71%	14.5%	14.5%
Paul Neillings [b]	Executive General Manager – West Coast	71%	14.5%	14.5%
Shane Stafford [c]	General Manager – readi	71%	14.5%	14.5%
Gary Watson [d]	Executive General Manager – West Coast	67%	20%	13%

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Consequences of Performance on Shareholder Wealth
In considering the Group's performance and benefits for shareholder wealth, the Nomination and Remuneration Committee have regard to the following indices in respect of the current financial year and the previous financial years.

	2017 $'000	2016 $'000	2015 $'000	2014 $'000	2013 $'000
Net profit/(loss) attributable to members of Boom Logistics Limited	**$(22,630)**	$(30,219)	$ (36,874)	$ (79,455)	$ (2,476)
Dividends paid	**$ -**	$ -	$ -	$ -	$ -
Share price at financial year end	**$ 0.09**	$ 0.08	$ 0.12	$ 0.12	$ 0.09
Earnings per share	**$ (0.05)**	n/a	n/a	n/a	n/a
Return on capital employed (as defined on previous pages under "Long Term Incentive Plan" section)	**(3.7%)**	(3.4%)	(2.0%)	3.8%	6.7%
Pre tax investment weighted average cost of capital (as defined on previous pages under "Long Term Incentive Plan" section)	**13.5%**	13.0%	13.5%	14.5%	13.6%

These indices have been taken into account by the Nomination and Remuneration Committee in assessing fixed annual remuneration and these indices have also resulted in no vesting of any LTIP shares over the five year period.

Remuneration Review
The review of KMP and general staff remuneration is conducted annually through a formal process.

KMP remuneration is reviewed by the Nomination and Remuneration Committee of the Board of Directors with input from the Chief Executive Officer ("CEO") in respect of KMP reporting directly to him. Market survey data provided combined with individual performance appraisals to determine recommendations go to the Board of Directors for approval. This process occurs in June of each year and remuneration adjustments take effect from the beginning of each financial year.

The Nomination and Remuneration Committee has direct responsibility for reviewing CEO performance against targets set by the Board of Directors and recommending to the Board of Directors appropriate adjustments to his remuneration package.

Staff reviews are similarly conducted by the relevant Executives and General Managers, with overview from the CEO.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

CEO & Managing Director Remuneration

Mr. Mitchell has an employment contract that has no fixed term. Both the Company and Mr. Mitchell are entitled to terminate the employment contract on six month's written notice, except in the case of serious misconduct or neglect of duty. Contractual arrangements relating to a redundancy event are set out below.

Mr. Mitchell's remuneration package as at 30 June 2017 comprised the following components:

- FAR of $675,000 per annum, inclusive of superannuation contributions in line with the Superannuation Guarantee legislation. Mr. Mitchell's FAR is reviewed annually effective 1 July each year taking into account the Group's performance, industry and economic conditions and personal performance. Mr. Mitchell's FAR has remained unchanged for the last 3 years;
    - Mr. Mitchell has elected to salary sacrifice 30% of his FAR for rights to ordinary shares in the Company from 1 November 2016 to 31 October 2017, equating to a value of $135,000 for FY17;
- STIP equivalent to 40% of his FAR upon achievement of performance conditions set by the Board of Directors on an annual basis. 50% of the STIP outcome achieved for the financial year will be delivered in cash and 50% will be delivered in equity in the form of rights to ordinary shares in the Company. The cash payment of any bonus under the STIP will take place after the annual audit of the Group's financial report which typically occurs in the first half of the following financial year. No STIP is awarded if performance conditions are not met; and
- LTIP equivalent to 45% of his FAR is allocated in options of the Company with a performance hurdle based on absolute EPS, which is measured progressively in 3 tranches over a three year performance period subject to shareholder approval at the Company's Annual General Meeting.

If his employment is terminated on the grounds of redundancy or where a diminution in responsibility occurs, in addition to his notice period, Mr. Mitchell will be entitled to receive:

- 12 months pay calculated in accordance with his FAR at the date of redundancy or diminution;
- Vested employee entitlements;
- STIP rights that have vested and if not exercised the exercise restrictions will be lifted. Where employment ceased prior to the STIP outcome being determined, the Board of Directors may at its discretion determine a pro-rated STIP based on the proportion of the performance period that has elapsed at the time of cessation. To the extent the relevant performance conditions are satisfied, the STIP award will be paid in cash and no rights will be allocated;
- LTIP options that have vested. Where employment ceased before the options vest, unvested options will continue "on-foot" and will be tested following the end of the original vesting date, and vesting to the extent that the relevant conditions have been satisfied (ignoring any service related conditions).

The Board of Directors also have a broader discretion to apply any other treatment that it deems appropriate in the circumstances.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

CEO & Managing Director Remuneration (continued)

In the event that Mr. Mitchell was to be summarily dismissed, he would be paid for the period served prior to dismissal and any accrued leave entitlements. Mr. Mitchell would not be entitled to the payment of any bonus under the STIP or LTIP.

He is subject to restrictive covenants upon cessation of his employment for a maximum period of one year.

Other Executive KMP (standard contracts)

All other Executive KMP have contracts with no fixed term. Either the Company or the Executive KMP may terminate the Executive KMP employment agreement by providing three (3) months written notice or providing payment in lieu of the notice period (based upon the fixed component of the Executive KMP remuneration). If employment is terminated on the grounds of redundancy, in addition to the notice period, all other Executive KMP will be entitled to receive up to 12 months pay calculated in accordance with their FAR.

On termination by notice of the Company or the Executive KMP, any STIP and LTIP that have vested will be awarded. Where employment ceased prior to the STIP outcome being determined or LTIP options vest, the treatment will be the same as that disclosed in the CEO & Managing Director Remuneration on page 26.

The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Executive KMP is only entitled to that proportion of remuneration that is fixed, and only up to the date of termination. On termination with cause, any unvested STIP rights and LTIP shares or options will lapse.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Total Remuneration of Executive KMP

Details of the cost to the Group relating to Executive KMP remuneration for the year ended 30 June 2017 are set out below.

	Short Term				Post Employment		Share-based Payments [b]				Long Term	Total Employee Benefits Expense	
							Salary sacrificed rights		STIP rights		Annual & long service leave [d]		
	Cash salary	Cash bonus	Non monetary benefits	Other [a]	Super-annuation	Termination benefits	Not granted [c]	Granted	Not granted [c]	LTIP shares & options			Total performance related
Executives													
Brenden Mitchell (Chief Executive Officer & Managing Director)													
2017	**494,814**	**-**	**1,223**	**8,976**	**35,000**	**-**	**67,500**	**67,500**	**-**	**63,625**	**545**	**739,183**	**8.6%**
2016	602,892	-	14,650	22,471	35,000	-	-	-	-	(22,603)	29,675	682,085	-
Tim Rogers (Chief Financial Officer)													
2017	**254,047**	**5,865**	**-**	**367**	**28,687**	**-**	**8,928**	**4,464**	**5,865**	**13,937**	**(3,962)**	**318,198**	**8.1%**
2016	216,830	34,164	-	-	20,599	-	-	-	-	1,927	7,266	280,786	12.9%
Malcolm Ross (General Counsel and Company Secretary)													
2017	**223,236**	**10,377**	**-**	**-**	**22,506**	**-**	**-**	**-**	**10,377**	**12,330**	**17,648**	**296,474**	**11.2%**
2016	230,005	-	-	-	21,850	-	-	-	-	1,705	(5,474)	248,086	0.7%
Tony Spassopoulos (Chief Operating Officer)													
2017	**387,796**	**-**	**-**	**13,913**	**35,000**	**-**	**-**	**-**	**-**	**27,822**	**25,989**	**490,520**	**5.7%**
2016	390,008	-	-	-	35,000	-	-	-	-	(8,282)	(17,916)	398,810	-
Paul Neillings (Executive General Manager - West Coast) [e]													
2017	**222,468**	**-**	**-**	**-**	**21,134**	**-**	**-**	**-**	**-**	**-**	**15,276**	**258,878**	**-**
Shane Stafford (General Manager - readi) [f]													
2017	**150,508**	**14,402**	**-**	**20,833**	**17,353**	**-**	**6,472**	**4,854**	**14,402**	**12,001**	**13,447**	**254,272**	**16.0%**
Gary Watson (Executive General Manager - West Coast) [g]													
2017	**102,047**	**-**	**-**	**-**	**8,654**	**-**	**-**	**-**	**-**	**(4,316)**	**(9,218)**	**97,167**	**-**
2016	318,776	-	-	-	30,000	-	-	-	-	(883)	397	348,290	-
Total Remuneration: Executives													
2017	**1,834,916**	**30,644**	**1,223**	**44,089**	**168,334**	**-**	**82,900**	**76,818**	**30,644**	**125,399**	**59,725**	**2,454,692**	**-**
2016	1,758,511	34,164	14,650	22,471	142,449	-	-	-	-	(28,136)	13,948	1,958,057	-

Refer to note 28 for further details.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Total Remuneration of Executive KMP (continued)

[a] Other represents motor vehicle allowance and novated lease payments.

[b] Share-based payments represent a combination of rights, shares and options in Boom Logistics Limited granted under the previous and revised remuneration structures. Only the expense relating to the period has been recognised in accordance with accounting policy note 3(q).

[c] Granting of these rights is expected to occur after the announcement of the full year results and not later than 31 August 2017.

[d] Long term annual leave and long service leave amounts represent the net movement in balance sheet leave provisions recognised in the income statement during the financial year.

[e] Paul Neillings was appointed Executive General Manager – West Coast on 12 September 2016 and ceased employment with the Company on 3 July 2017..

[f] Shane Stafford was appointed General Manager – readi on 1 September 2016.

[g] Gary Watson ceased employment with the Company on 30 September 2016.

The following table shows the rights to ordinary shares granted to Executive KMP during the financial year under the salary sacrifice rights plan.

Name	Year	Grant date	Grant number	Fair value per right at grant date *	Exercise date	Expiry date	Value of rights granted during the year
Brenden Mitchell	2017	23 Feb 17	623,592	$0.1082	23 Feb 18	23 Feb 28	$67,500
Tim Rogers	2017	23 Feb 17	42,068	$0.1061	23 Feb 18	23 Feb 28	$4,464
Shane Stafford	2017	23 Feb 17	45,547	$0.1066	23 Feb 18	23 Feb 28	$4,854

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

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Total Remuneration of Executive KMP (continued)

The following table shows the potential rights to ordinary shares not yet granted to Executive KMP equivalent to the amount of salary sacrificed to 30 June 2017 since the most recent granting of rights under the salary sacrifice rights plan.

Name	Year	Number of rights not yet granted	Value of rights not yet granted
Brenden Mitchell	2017	585,216	$67,500
Tim Rogers	2017	77,405	$8,928
Shane Stafford	2017	56,111	$6,472

Determining the STIP Outcomes of the Executive KMP

For the FY2017 STIP, the Nomination and Remuneration Committee conducted a review of the Executive KMP performance against their set targets which resulted in the following STIP being awarded to the Executive KMP after approval by the Board of Directors. The STIP will be settled 50% in cash and 50% in rights to ordinary shares in the Company after the announcement of the full year results.

Name	Title	Maximum STIP $	Weighting[a] %	Total Cost $
Tim Rogers	Chief Financial Officer	58,650	20.0%	11,730
Malcolm Ross	General Counsel & Company Secretary	51,883	40.0%	20,753
Shane Stafford	General Manager - readi	47,530	60.0%	28,804

[a] Weighting represents the percentage of total STIP entitlement awarded to Executive KMPs based on their financial, safety and individual performance targets.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Determining the LTIP Outcomes of the Executive KMP

As part of the Group's revised Long Term Incentive Plan, the Company allocated options to the Executive KMP during the year as set out below.

Name	Year	Grant date	Grant number	Vesting date	Fair value per option at grant date *	Exercise price	Expiry date	Vesting Benchmark	Value of options granted during the year *	Value of options exercised during the year ^
Brenden Mitchell	2017	4 Nov 16	6,750,000	31 Aug 19	$0.0450	$0.1080	4 Sep 19	$0.02 EPS	$303,750	$nil
Tim Rogers	2017	4 Nov 16	1,303,293	31 Aug 19	$0.0450	$0.1080	4 Sep 19	$0.02 EPS	$58,648	$nil
Malcolm Ross	2017	4 Nov 16	1,152,947	31 Aug 19	$0.0450	$0.1080	4 Sep 19	$0.02 EPS	$51,883	$nil
Tony Spassopoulos	2017	4 Nov 16	2,932,473	31 Aug 19	$0.0450	$0.1080	4 Sep 19	$0.02 EPS	$131,961	$nil
Paul Neillings	2017	4 Nov 16	1,311,129	31 Aug 19	$0.0450	$0.1080	4 Sep 19	$0.02 EPS	$59,001	$nil
Shane Stafford	2017	4 Nov 16	1,066,778	31 Aug 19	$0.0450	$0.1080	4 Sep 19	$0.02 EPS	$48,005	$nil

* The fair value per option was determined at the time of grant in accordance with AASB 2 Share-based Payment. Refer to note 27 (c) for details on the valuation of the options, including models and assumptions used.

^ There were no options exercised during the year as this is the first year the revised LTIP was implemented.

Legacy LTIP (FY16 and prior years)

Set out below were shares allocated to the Executive KMP under the legacy LTIP which are still active.

Name	Year	Grant date	Grant number	Vesting date	Fair value per share at grant date [a]	Vesting benchmark	Maximum value of grant [b]
Brenden Mitchell	2016	5 Nov 15	2,182,435	5 Nov 18	$0.1057	RoCE of at least 13%	$224,268
	2015	29 Oct 14	2,025,000	29 Oct 17	$0.1500	RoCE of at least 13%	$303,750
Tim Rogers	2016	5 Nov 15	409,111	5 Nov 18	$0.1057	RoCE of at least 13%	$42,041
Malcolm Ross	2016	5 Nov 15	361,907	5 Nov 18	$0.1057	RoCE of at least 13%	$37,190
Tony Spassopoulos	2016	5 Nov 15	916,084	5 Nov 18	$0.1057	RoCE of at least 13%	$94,137
	2015	29 Oct 14	850,000	29 Oct 17	$0.1500	RoCE of at least 13%	$127,500

[a] The fair values per share were assessed as the 5 day volume weighted average market price at the grant dates.

[b] The maximum value of grants yet to vest have been determined as the amount of the grant date fair value that is yet to be expensed assuming all vesting conditions are met. The minimum total value of each grant, if the applicable performance conditions are not met is nil.

During the year, the FY2014 shares allocated to the Executive KMP did not vest as the vesting conditions were not met. In accordance with the LTIP rules, the FY2014 shares had lapsed as follows:

Name	Year	Grant date	Grant number	Vesting date	Fair value per share at grant date [a]	Vesting benchmark	Maximum value of grant in FY2016
Brenden Mitchell	2014	30 Oct 13	1,679,104	30 Oct 16	$0.2010	RoCE of at least 13%	$337,500
Tony Spassopoulos	2014	30 Oct 13	597,015	30 Oct 16	$0.2010	RoCE of at least 13%	$120,000

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Non-executive Director Fees

Non-executive Director fees are determined by reference to external survey data, taking account of the Group's relative size and business complexity. No additional payments are made for serving on Board Committees. In addition, non-executive Directors have no entitlement to STIP, no equity incentives are offered and no retirement benefits are payable. The maximum aggregate sum for non-executive Director remuneration of $400,000 was approved by shareholders at the 2004 Annual General Meeting. There has been no increase to the NED fee pool since 2004.

Details of non-executive Directors' remuneration for the year ended 30 June 2017 are as follows:

	Short Term				Post Employment		Share-based Payments	Long Term	Total	
	Salary & fees	Cash bonus	Non monetary benefits	Other	Super-annuation	Termination benefits	All	Annual & long service leave		Total performance related
Non-Executive Directors										
Maxwell Findlay [a]										
2017	**102,381**	**-**	**-**	**-**	**9,726**	**-**	**-**	**-**	**112,107**	**-**
2016	-	-	-	-	-	-	-	-	-	-
Jean-Pierre Buijtels [b]										
2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Terrence Francis										
2017	**60,000**	**-**	**-**	**-**	**5,700**	**-**	**-**	**-**	**65,700**	**-**
2016	60,000	-	-	-	5,700	-	-	-	65,700	-
Terence Hebiton										
2017	**60,000**	**-**	**-**	**-**	**5,700**	**-**	**-**	**-**	**65,700**	**-**
2016	60,000	-	-	-	5,700	-	-	-	65,700	-
John Robinson [c]										
2017	**30,000**	**-**	**-**	**-**	**2,850**	**-**	**-**	**-**	**32,850**	**-**
2016	120,000	-	-	-	11,400	-	-	-	131,400	-
Total Remuneration: Non-Executive Directors										
2017	**252,381**	**-**	**-**	**-**	**23,976**	**-**	**-**	**-**	**276,357**	**-**
2016	240,000	-	-	-	22,800	-	-	-	262,800	-
Total Remuneration: Non-Executive Directors and Executives - Group										
2017	**2,087,297**	**30,644**	**1,223**	**44,089**	**192,310**	**-**	**315,761**	**59,725**	**2,731,049**	**-**
2016	1,998,511	34,164	14,650	22,471	165,249	-	(28,136)	13,948	2,220,857	-

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Non-executive Director Fees (continued)

[a] Maxwell Findlay was appointed Chairman of the Board of Directors on 30 September 2016 and his director's fees increased accordingly.

[b] Jean-Pierre Buijtels is not paid a Director's fee. Instead, the Company pays for his travel and accommodation costs whilst attending Board of Director and committee meetings in Australia up to a maximum of $65,700 per financial year.

[c] John Robinson retired on 30 September 2016.

Insurance

Amounts disclosed for remuneration of Directors and Executive KMP exclude insurance premiums paid by the Company in respect of Directors' and Officers' liability insurance. The premium has not been allocated to the individuals covered by the insurance policy as, based on all available information, the Directors believe that no reasonable basis for such allocation exists.

Shareholdings of Directors and Executive KMP

Ordinary shares held in Boom Logistics Limited (number) 30 June 2017	Balance at start of year	Received on exercise of salary sacrifice rights	Received on exercise of STIP rights	Received on exercise of LTIP options	Net change other (i)	Balance at end of year	Granted but not vested
Non-executive & Executive Directors							
Maxwell Findlay	-	-	-	-	-	**-**	-
Brenden Mitchell (ii)	3,057,235	-	-	-	-	**3,057,235**	4,207,435
Jean-Pierre Buijtels [a]	-	-	-	-	-	**-**	-
Terrence Francis (ii)	185,745	-	-	-	-	**185,745**	-
Terence Hebiton	547,995	-	-	-	-	**547,995**	-
John Robinson [b]	830,000	n/a	n/a	n/a	n/a	**n/a**	n/a
Executives							
Tim Rogers	-	-	-	-	-	**-**	409,111
Malcolm Ross	-	-	-	-	-	**-**	361,907
Tony Spassopoulos	1,081,565	-	-	-	-	**1,081,565**	1,766,084
Paul Neillings [c]	-	n/a	n/a	n/a	n/a	**n/a**	n/a
Shane Stafford	-	-	-	-	-	**-**	-
Gary Watson [d]	-	n/a	n/a	n/a	n/a	**n/a**	n/a
Total	**5,702,540**	**-**	**-**	**-**	**-**	**4,872,540**	**6,744,537**

(i) These amounts represent ordinary shares purchased or sold directly or indirectly by the directors and executives during the financial year. These transactions have no connection with their roles and responsibilities as employees of the Group.

(ii) Includes shares held under a nominee or a related party.

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Shareholdings of Directors and Executive KMP (continued)

[a] Mr. Buijtels is employed by Rorema Beheer B.V., the fund manager (**the Fund Manager**) of the fund Gran Fonda Capital (**the Fund**) which holds 70,760,675 shares in Boom logistics Limited (the Company). Mr. Buijtels' remuneration is partly linked to the performance of the Fund, which is influenced by the performance of the shares of the Company as long as the Fund holds shares in the Company. Mr. Buijtels holds a minority economic interest of less than 5% of the units of the Fund and thereby indirectly an economic interest in the Company as long as the Fund holds shares in the Company. The Fund is open-ended and Mr. Buijtels can redeem his units in the Fund against their net asset value minus redemption fee at each transaction day of the Fund. Mr. Buijtels is not a director of the Fund Manager, and does not have the power to exercise votes, control the exercise of votes, dispose of or control the disposal of the Fund's shares in the Company. However, he can influence the decision-making process of the director of the Fund Manager in his capacity as its portfolio manager.

[b] John Robinson retired on 30 September 2016.

[c] Paul Neillings ceased employment with the Company on 3 July 2017.

[d] Gary Watson ceased employment with the Company on 30 September 2016.

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

Right holdings of Executive KMP

Rights to ordinary shares (number) 30 June 2017	**Grant date**	**Balance at start of year**	**Granted during year**	**Exercised**	**Forfeited**	**Balance at end of year**
Salary Sacrifice Rights						
Brenden Mitchell	23 Feb 17	-	623,592	-	-	**623,592**
Tim Rogers	23 Feb 17	-	42,068	-	-	**42,068**
Shane Stafford	23 Feb 17	-	45,547	-	-	**45,547**
Total		**-**	**711,207**	**-**	**-**	**711,207**

DIRECTORS' REPORT (continued)

Remuneration Report – Audited (continued)

Option holdings of Executive KMP

Options held in Boom Logistics Limited (number) 30 June 2017	Grant date	Balance at start of year Unvested	Granted	Vested	Exercised	Forfeited	Balance at end of year Unvested	Balance at end of year Vested
Brenden Mitchell	4 Nov 16	-	6,750,000	-	-	-	**6,750,000**	-
Tim Rogers	4 Nov 16	-	1,303,293	-	-	-	**1,303,293**	-
Malcolm Ross	4 Nov 16	-	1,152,947	-	-	-	**1,152,947**	-
Tony Spassopoulos	4 Nov 16	-	2,932,473	-	-	-	**2,932,473**	-
Paul Neillings [a]	4 Nov 16	-	1,311,129	-	-	(1,311,129)	-	-
Shane Stafford	4 Nov 16	-	1,066,778	-	-	-	**1,066,778**	-
Total		**-**	**14,516,620**	**-**	**-**	**(1,311,129)**	**13,205,491**	**-**

[a] Paul Neillings ceased employment with the Company on 3 July 2017.

Use of Remuneration Consultants
The Board did not engage an external remuneration specialist to evaluate and benchmark their remuneration for FY17.

The Nomination and Remuneration Committee made reference to a KMP Remuneration Guide produced for the Company by Godfrey Remuneration Group for which the Company paid $3,200 (excluding GST).

The Board has undertaken a comprehensive review of the Group's remuneration framework including short term and long term incentive plans under advice from EY. The Board has not engaged EY to provide remuneration recommendations as to remuneration mix and quantum for Executive KMP.

Share Trading Policy
The Group Securities Trading Policy applies to all NEDs and Executive KMP. The policy prohibits KMP from dealing in the Company securities while in possession of material non-public information relevant to the Group.

DIRECTORS' REPORT (continued)

Auditor's Independence Declaration to the Directors

The auditor's independence declaration is set out on page 37 and forms part of the directors' report for the financial year ended 30 June 2017.

Non-audit Services

The following non-audit services were provided by KPMG Australia, the Company's auditor. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

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

Non-audit Services	
Taxation services	$16,400

Proceedings on the Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Rounding

The amounts contained in this report and in the financial report are presented in Australian dollars and have been rounded to the nearest $1,000 (where rounding is applicable) under the option available under ASIC Corporations Instrument 2016/191. The Group is of a kind to which the Corporations Instrument applies.

Signed in accordance with a resolution of the Directors.

Maxwell Findlay
Chairman

Brenden Mitchell
Managing Director

Melbourne, 25 August 2017

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 audit of Boom Logistics Limited for the financial year ended 30 June 2017 there have been:

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

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul J McDonald

Paul J McDonald

Partner

Melbourne

25 August 2017

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

Consolidated Income Statement
Year Ended 30 June 2017

	Note	2017 $'000	2016 $'000
Revenue	6(a)	**150,072**	152,347
Other income	6(b)	**2,700**	-
Salaries and employee benefits expense	6(c)	**(77,582)**	(80,738)
Equipment service and supplies expense	6(c)	**(42,660)**	(39,843)
Operating lease expense		**(6,792)**	(8,047)
Other expenses		**(13,180)**	(13,101)
Restructuring expense	19	**(2,191)**	(1,511)
Depreciation and amortisation expense	6(c)	**(18,205)**	(19,624)
Impairment expense	6(c)	**(11,690)**	(18,405)
Loss before financing expense and income tax		**(19,528)**	(28,922)
Financing expense	6(c)	**(3,930)**	(4,635)
Loss before income tax		**(23,458)**	(33,557)
Income tax benefit	7(a)	**828**	3,338
Net loss attributable to members of Boom Logistics Limited		**(22,630)**	(30,219)
Basic losses per share (cents per share)	8	**(4.8)**	(6.4)
Diluted losses per share (cents per share)	8	**(4.8)**	(6.4)

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

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

Consolidated Statement of Comprehensive Income
Year Ended 30 June 2017

	Note	2017 $'000	2016 $'000
Net loss attributable to members of Boom Logistics Limited		**(22,630)**	(30,219)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges recognised in equity, net of tax		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss for the year attributable to members of Boom Logistics Limited		**(22,630)**	(30,219)

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

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

Consolidated Statement of Financial Position
As at 30 June 2017

	Note	2017 $'000	2016 $'000
CURRENT ASSETS			
Cash and cash equivalents	10(a)	**2,158**	1,756
Trade and other receivables	11	**30,372**	29,123
Inventories	12	**293**	171
Prepayments and other current assets	13	**1,542**	1,601
Assets classified as held for sale	14	**4,641**	3,928
Income tax receivable	7(c)	**4,449**	4,448
TOTAL CURRENT ASSETS		**43,455**	41,027
NON-CURRENT ASSETS			
Property, plant and equipment	15	**177,626**	206,913
Intangible assets	16	**-**	518
TOTAL NON-CURRENT ASSETS		**177,626**	207,431
TOTAL ASSETS		**221,081**	248,458
CURRENT LIABILITIES			
Trade and other payables	17	**14,419**	14,265
Interest bearing loans and borrowings	18	**2,544**	50,753
Provisions	19	**7,952**	8,223
Other liabilities	20	**4,395**	4,079
TOTAL CURRENT LIABILITIES		**29,310**	77,320
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	18	**44,003**	-
Provisions	19	**1,885**	2,170
Deferred tax liabilities	7(b)	**19**	846
TOTAL NON-CURRENT LIABILITIES		**45,907**	3,016
TOTAL LIABILITIES		**75,217**	80,336
NET ASSETS		**145,864**	168,122
EQUITY			
Contributed equity	21	**318,065**	318,065
Retained losses	22	**(173,324)**	(150,694)
Reserves	23	**1,123**	751
TOTAL EQUITY		**145,864**	168,122

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

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

Consolidated Statement of Cash Flows
Year Ended 30 June 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Receipts from customers		**165,878**	177,040
Payments to suppliers and employees		**(155,883)**	(164,670)
Interest paid		**(3,750)**	(4,185)
Interest received		**17**	71
Income tax received		**(1)**	1
Net cash provided by operating activities	10(b)	**6,261**	8,257
Cash flows from investing activities			
Purchase of plant and equipment		**(3,987)**	(1,762)
Payment for intangible assets - software development costs		**-**	(22)
Proceeds from the sale of plant and equipment		**2,884**	15,719
Net cash (used in) / provided by investing activities		**(1,103)**	13,935
Cash flows from financing activities			
Proceeds from borrowings		**43,185**	5,889
Repayment of borrowings		**(46,921)**	(33,320)
Payment of transaction costs related to borrowings		**(1,020)**	-
Net cash (used in) financing activities		**(4,756)**	(27,431)
Net (decrease) / increase in cash and cash equivalents		**402**	(5,239)
Cash and cash equivalents at the beginning of the period		**1,756**	6,995
Cash and cash equivalents at the end of the period	10(a)	**2,158**	1,756

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

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

Consolidated Statement of Changes in Equity
Year Ended 30 June 2017

	Note	Issued Capital $'000	Retained Earnings $'000	Cash Flow Hedge Reserve $'000	Employee Equity Benefits Reserve $'000	Total Equity $'000
At 1 July 2015		318,065	(120,475)	-	686	198,276
Loss for the year		-	(30,219)	-	-	(30,219)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss		-	(30,219)	-	-	(30,219)
Transactions with owners in their capacity as owners:						
Cost of share based payments	23	-	-	-	65	65
At 30 June 2016		**318,065**	**(150,694)**	**-**	**751**	**168,122**
Loss for the year		**-**	**(22,630)**	**-**	**-**	**(22,630)**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**
Total comprehensive loss		**-**	**(22,630)**	**-**	**-**	**(22,630)**
Transactions with owners in their capacity as owners:						
Cost of share based payments	23	**-**	**-**	**-**	**372**	**372**
At 30 June 2017		**318,065**	**(173,324)**	**-**	**1,123**	**145,864**

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

1. Corporate Information

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 25 August 2017.

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 activities are described in note 5.

2. Basis of Preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Historical cost convention

The financial report has been prepared in accordance with the historical cost convention rounded to the nearest thousand dollars ($'000) in accordance with ASIC Corporations Instrument 2016/191 unless otherwise stated, except for derivative financial instruments and assets classified as held for sale which are measured at fair value. The financial report is presented in Australian dollars which is the Company's functional currency.

(c) Critical accounting estimates and assumptions

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

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.

2. Basis of Preparation (continued)

(c) Critical accounting estimates and assumptions (continued)

Going concern assumption (continued)
As disclosed in note 18, the Group is funded by secured bank loans and other secured finance facilities. The Group's three finance facilities are not due to expire until July 2019, August 2019 and August 2021, respectively.

The facilities are subject to compliance with covenants, which in part are determined by reference to operating results and operating cash flows. The Group generated $6.261 million (2016: $8.257 million) of surplus cash from operating activities during the financial year but incurred a loss after tax for the year ended 30 June 2017. The Directors have assessed the forecast trading results and cash flows for the Group, including the working capital requirements for projects commencing in FY2018, 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 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.

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 15 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.

2. Basis of Preparation (continued)

(c) Critical accounting estimates and assumptions (continued)

Impairment testing of property, plant and equipment including assets classified as held for sale
The Group tests annually whether property, plant and equipment have suffered any impairment, in accordance with the accounting policy stated in note 3(l). The recoverable amounts of property, plant and equipment under their cash-generating units have been determined based on their fair value less costs to sell. Refer to note 15.

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

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

Useful lives and residual values of property, plant and equipment
The Group determines the estimated useful lives of assets and related depreciation charges for its property, plant and equipment based on the accounting policy stated in note 3(j). These estimates are based on projected capital equipment lifecycles for periods up to twenty years based on useful life assumptions.

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

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

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

2. Basis of Preparation (continued)

(c) Critical accounting estimates and assumptions (continued)

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

(d) Changes in accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out in note 3. These policies are consistent with those of the previous financial year, with the exception of an amendment to the property, plant and equipment accounting policy to recognise the treatment of freehold land and buildings (refer to note 3(j)).

The Group has not elected to early adopt any accounting standards or amendments (refer to note 3(w)).

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. Certain comparative amounts in the consolidated financial statements have been reclassified to conform with current year's presentation.

(a) Basis of consolidation

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

Subsidiaries are entities (including structured entities) controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the parent company financial statements (refer to note 33), investments in subsidiaries are carried at cost less impairments.

3. Summary of Significant Accounting Policies (continued)

(a) Basis of consolidation (continued)

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Joint ventures
Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the income statement, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from the joint venture is recognised as a reduction in the carrying amount of the investment.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Revenue recognition

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

Rendering of services
Revenue from the hire of lifting/access equipment and other services provided is recognised where the right to be compensated for the services can be reliably measured.

Interest revenue
Interest revenue is recognised on a time proportionate basis using the effective interest method.

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (ie. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are recognised in the income statement using the effective interest rate method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. Summary of Significant Accounting Policies (continued)

(d) Leases

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

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

(e) Cash and cash equivalents

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

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

(f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment (refer note 3(l)). Trade receivables are generally due for settlement within 30 – 90 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impairment of trade receivables is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an allowance for impairment had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

3. Summary of Significant Accounting Policies (continued)

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(h) Income tax

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

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

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

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

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

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

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

3. Summary of Significant Accounting Policies (continued)

(h) Income tax (continued)

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

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

Tax consolidation legislation
Boom Logistics Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Boom Logistics Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Boom Logistics Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

(i) 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.

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

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

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

3. Summary of Significant Accounting Policies (continued)

(j) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Land is measured at cost less any accumulated impairment losses.

When a major overhaul is performed, the cost is recognised in the carrying amount of property, plant and equipment only if the major overhaul extends the expected useful life of the asset or if the continuing operation of the asset is conditional upon incurring the expenditure. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of property, plant and equipment as a replacement only if it is eligible for capitalisation. The cost of the day-to-day servicing or the replacement of parts of property, plant and equipment is recognised in profit or loss as incurred.

Depreciation is recognised in the income statement on a straight line basis over the estimated useful life of each part of an item of property, plant and equipment as follows:

Buildings	**20 Years**
Mobile Cranes > 20T	**15 Years**
Travel Towers	**20 Years**
Mobile Cranes < 20T	**10 Years**
Access Equipment	**10 Years**
Ancillary Equipment	**10 Years**
Office Equipment	**3 to 10 Years**
Workshop Equipment	**3 to 10 Years**
Leasehold Improvements	**Lesser of lease term or 10 Years**
Vehicles	**5 to 10 Years**
Computer Equipment	**3 to 5 Years**

Depreciation policy for the crane fleet has been realigned to better reflect the asset values as reported by the independent valuers over recent periods. The useful life of assets greater than 20 tonnes has been reduced to a 15 year term (previously 20 years) with residual values adjusted to approximate the independently assessed values of the assets at this age.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and at more regular intervals when there is an indicator of impairment or when deemed appropriate.

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

3. Summary of Significant Accounting Policies (continued)

(j) Property, plant and equipment (continued)

Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. No depreciation is recognised whilst an asset is held for sale. Interest and other expenses attributable to the assets held for sale continue to be recognised.

(k) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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

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

3. Summary of Significant Accounting Policies (continued)

(k) Intangible assets (continued)

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

	Software Development Costs
Useful lives	*Finite*
Method used	*Life of software*
Internally generated / Acquired	*Internally generated*
Impairment test / Recoverable amount testing	*Amortisation method reviewed at each financial year end; Reviewed annually for indicators of impairment.*

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

(l) Impairment of assets

Financial assets
Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

3. Summary of Significant Accounting Policies (continued)

(l) Impairment of assets (continued)

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit or a group of cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset, cash-generating unit or a group of cash-generating units exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually payable within 45 days of recognition.

3. Summary of Significant Accounting Policies (continued)

(n) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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

(o) Provisions

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

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

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

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

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

(p) Employee benefits

Short-term obligations
Liabilities for wages and salaries, including non monetary benefits, accumulating sick leave and rostered days off that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

3. Summary of Significant Accounting Policies (continued)

(p) Employee benefits (continued)

Other long-term employee benefit obligations
The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Defined contribution superannuation plans
A defined contribution superannuation plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution plans are recognised as salaries and employee benefits expense in the income statement in the period in which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(q) Share-based payments

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

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted using an appropriate valuation model, further details of which are given in note 27.

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

3. Summary of Significant Accounting Policies (continued)

(q) Share-based payments (continued)

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

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

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

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

(r) Contributed equity

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

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

(s) Dividends

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.

(t) Earnings per share (EPS)

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

3. Summary of Significant Accounting Policies (continued)

(t) Earnings per share (EPS) (continued)

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

- costs of servicing equity (other than 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.

(u) Financial instruments

Non-derivative financial instruments comprise investments in trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Measurement of each of the non-derivative financial instruments is covered in the respective policy notes – trade and other receivables 3(f), cash and cash equivalents 3(e), interest bearing loans and borrowings 3(n), and trade and other payables 3(m). Refer to note 24 for detailed disclosures.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control and substantially all risks and rewards of the asset.

Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

3. Summary of Significant Accounting Policies (continued)

(w) New accounting standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are not yet effective and their impacts have not yet been determined nor adopted by the Group in preparing this financial report.

New or amended standards	Nature of change	Impact
AASB 15 Revenue from Contracts with Customers	AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. It provides a five step model that applies to all customer contracts and it aims to better reflect the consideration that an entity expects to receive from customers in exchange for its goods and services. Mandatory for financial years commencing on or after 1 January 2018.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 15. At this stage, the potential impact on existing revenue streams is not expected to be significant. The full extent of the potential impact is under evaluation and the Group will make a more detailed assessment of the effect over the next twelve months.
AASB 9 Financial Instruments	AASB 9 replaces the existing guidance in IAS 39 Financial Instruments; Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. Mandatory for financial years commencing on or after 1 January 2018.	The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets with the exception of impairment losses on trade receivables. The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under AASB 139. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

3. Summary of Significant Accounting Policies (continued)

(w) New accounting standards and interpretations not yet adopted (continued)

New or amended standards	Nature of change	Impact
AASB 16 Leases	The standard removes the classification of leases as either operating leases or finance leases for the lessee, effectively treating all leases as finance leases. This will effectively move all off-balance sheet operating leases onto the balance sheet that is similar to current finance lease accounting. Mandatory for financial years commencing on or after 1 January 2019.	The Group has completed a preliminary assessment of the potential impact on the consolidated financial statements resulting from the application of AASB 16 with respect to existing leases (primarily in relation to property and motor vehicles) for continuing operations. The standard will have an impact on key financial measures such as EBITDA, EBIT and net assets, due to the standard replacing straight line operating lease expenses with a depreciation charge for the lease asset and interest expense for the lease liability. The full extent of the potential impact is under evaluation and the Group will make a more detailed assessment of the effect over the next twelve months. Details of the Group's lease commitments are disclosed in note 25(a).

4. Financial Risk Management

The Board of Directors has overall responsibility for the oversight of the Company's risk management framework including the identification and management of material business, financial and regulatory risks. Management reports regularly to the Risk Committee and the Board of Directors on relevant activities.

Risk management guidelines have been further developed to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management guidelines are regularly reviewed to reflect changes in market conditions and the Group's activities.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

4. Financial Risk Management (continued)

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group's policy is to trade with recognised, creditworthy third parties. It is the Group's practice that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Refer to note 24 for detailed disclosure.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations as they fall due under both normal and stressed conditions without incurring unacceptable losses or damage to the Group's reputation. In order to meet these requirements management estimates the cash flows of the Group on a weekly basis.

In light of prevailing market conditions that are impacting the resources and mining services sectors, the Group has taken additional steps to manage liquidity risk. These initiatives include:

- An on-going program of operational restructuring to align cost structures with changes in market demand;
- A fixed cost reduction program to capitalise on efficiencies realised through the standardisation of processes and systems;
- The centralisation of credit review, approval and collections to ensure appropriate management of debtors and accounts receivable;
- In recognition of the availability of underutilised assets in the operating fleet, a reduction in annual capital expenditures supported by asset redeployments to areas of demand and the continuity of maintenance programs for the operating fleet; and
- An on-going review of fleet performance to identify surplus assets for sale.

4. Financial Risk Management (continued)

Liquidity risk (continued)

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and trade receivables loan. At 30 June 2017, the Group's balance sheet gearing ratio was as follows:

	Note	2017 $'000	2016 $'000
Interest bearing loans and borrowings	18	**47,265**	51,000
Less: cash and cash equivalents	10(a)	**(2,158)**	(1,756)
Net debt		**45,107**	49,244
Total equity		**145,864**	168,122
Gearing ratio		**31%**	29%

Market risk

Market risk is the risk that changes in interest rates will affect the Group's income or the value of its holdings of financial instruments. Refer to note 24 for detailed disclosure.

Interest rate risk
The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. The level of variable rate debt is disclosed in note 24.

The Group will continue to monitor debt levels and assess the need to enter into further interest rate swap contracts, or other derivative instruments, based on forecast debt levels and prevailing market conditions at that time.

Capital Management

For the purposes of capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management policy is to maximise shareholder value.

4. Financial Risk Management (continued)

Capital Management (continued)

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of its financial covenants. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. As stated in note 21(a), as part of its financing arrangements the Group has restrictions on its ability to pay dividends and return capital to shareholders. During the year the Group’s gross debt to trading EBITDA ratio restricted the ability of the Group to adjust its capital structure.

The Group monitors capital on the basis of the balance sheet gearing ratio. This ratio is calculated as net debt divided by total equity. Refer to the liquidity risk section for the current balance sheet gearing ratio. The Group’s policy is to maintain a gearing ratio of between 10%-30%.

The Group’s capital management, amongst other things, aims to ensure that it meets its financial covenants. The Group will also manage its capital structure through returns to shareholders, as economic conditions and trading results improve.

5. Segment Reporting

Description of operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer who is designated as the Group’s 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 $15.140 million or 10% of total segment revenue (2016: $15.068 million or 10%) are derived from a single external customer. These revenues are attributable to the Lifting Solutions segment.

5. Segment Reporting (continued)

Segment information

	Lifting Solutions $'000	Other * $'000	Consolidated $'000
Year ended:		***30 June 2017***	
Segment revenue			
Total segment revenue	**150,055**	**-**	**150,055**
Interest income from other persons/corporations			**17**
Total revenue			**150,072**
Segment result			
Operating result	**17,294**	**(7,190)**	**10,104**
Other income - legal settlement	**2,700**	**-**	**2,700**
Net loss on disposal of property, plant and equipment	**(263)**	**-**	**(263)**
Depreciation and amortisation	**(17,202)**	**(1,003)**	**(18,205)**
Restructuring expense	**(2,131)**	**(60)**	**(2,191)**
Impairment of property, plant and equipment	**(8,908)**	**-**	**(8,908)**
Impairment of assets classified as held for sale	**(2,782)**	**-**	**(2,782)**
Loss before net interest and tax	**(11,292)**	**(8,253)**	**(19,545)**
Net interest			**(3,913)**
Income tax benefit			**828**
Loss from continuing operations			**(22,630)**
Segment assets and liabilities			
Segment assets	**213,548**	**7,533**	**221,081**
Segment liabilities	**69,707**	**5,510**	**75,217**
Additions to non-current assets	**3,522**	**465**	**3,987**

** Other represents centralised costs including national office and shared services.*

5. Segment Reporting (continued)

Segment information (continued)

	Lifting Solutions $'000	Other * $'000	Consolidated $'000
Year ended:		***30 June 2016***	
Segment revenue			
Total segment revenue	152,276	-	152,276
Interest income from other persons/corporations			71
Total revenue			152,347
Segment result			
Operating result	18,249	(7,293)	10,956
Net loss on disposal of property, plant and equipment	(409)	-	(409)
Depreciation and amortisation	(17,888)	(1,736)	(19,624)
Restructuring expense	(1,489)	(22)	(1,511)
Impairment of plant and equipment	(11,612)	-	(11,612)
Impairment of assets classified as held for sale	(6,793)	-	(6,793)
Loss before net interest and tax	(19,942)	(9,051)	(28,993)
Net interest			(4,564)
Income tax benefit			3,338
Loss from continuing operations			(30,219)
Segment assets and liabilities			
Segment assets	242,153	6,305	248,458
Segment liabilities	75,146	5,190	80,336
Additions to non-current assets	1,756	28	1,784

** Other represents centralised costs including national office and shared services.*

6. Revenue and Expenses

	Note	2017 $'000	2016 $'000
(a) Revenue from continuing operations			
Revenue from services		**150,055**	152,276
Interest income from other persons/corporations		**17**	71
Total revenue		**150,072**	152,347
(b) Other income			
Legal settlement		**2,700**	-
(c) Expenses			
Salaries and employee benefits		**72,450**	75,401
Defined contribution plan expense		**5,132**	5,337
Total salaries and employee benefits expense		**77,582**	80,738
External equipment hire		**7,029**	7,752
External labour hire		**9,168**	6,098
Maintenance		**10,504**	9,638
Fuel		**2,818**	3,059
External transport		**6,903**	7,530
Employee travel and housing		**1,234**	1,355
Other reimbursable costs (on-charged to customers)		**1,008**	1,165
Other equipment services and supplies		**3,996**	3,246
Total equipment services and supplies expense		**42,660**	39,843
Depreciation of plant and equipment	15	**17,687**	18,445
Amortisation of intangible assets - software development cost	16	**518**	1,179
Total depreciation and amortisation expense		**18,205**	19,624
Loss on disposal of plant and equipment		**263**	409

		$'000	$'000
6. Revenue and Expenses (continued)			
(c) Expenses (continued)			
Impairment of property, plant and equipment	15	**8,908**	11,612
Impairment of assets classified as held for sale	14	**2,782**	6,793
Total impairment expense		**11,690**	18,405
Interest expense		**2,944**	3,771
Borrowing costs - amortisation (non-cash)		**303**	450
Borrowing costs - other		**683**	414
Total financing expense		**3,930**	4,635

7. Income Tax

The major components of income tax benefit are:

(a) Income tax benefit

Current income tax		
Current income tax (benefit) / expense	**(18)**	1
Adjustments in respect of current income tax of previous years	**17**	-
Deferred income tax		
Relating to origination and reversal of temporary differences	**(827)**	(3,339)
	(828)	(3,338)

A reconciliation between tax 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	**(23,458)**	(33,557)
At the Group's statutory income tax rate of 30% (2016: 30%)	**(7,037)**	(10,067)
Expenditure not allowable for income tax purposes	**36**	71
Adjustments in respect of current income tax of previous years	**17**	-
Current year losses for which no deferred tax asset is recognised	**4,633**	6,658
Write off unused tax losses recognised in previous years	**1,523**	-
Income tax benefit	**(828)**	(3,338)

7. Income Tax (continued)

	BALANCE SHEET		INCOME STATEMENT	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
(b) Deferred income tax				
Deferred income tax at 30 June relates to the following:				
Deferred tax assets				
- Employee leave provisions	**2,360**	2,380	**20**	486
- Allowance for impairment on financial assets	**141**	63	**(78)**	31
- Liability accruals	**224**	680	**456**	(42)
- Restructuring provisions	**112**	80	**(32)**	806
- Tax losses	**7,887**	9,410	**1,523**	-
Gross deferred income tax assets	**10,724**	12,613		
Deferred tax liabilities				
- Plant and equipment	**(10,743)**	(13,459)	**(2,716)**	(4,620)
Gross deferred income tax liabilities	**(10,743)**	(13,459)		
Net deferred tax liabilities	**(19)**	(846)		
Deferred tax benefit			**(827)**	(3,339)

	Note	2017	2016
		$'000	$'000
(c) Income tax (receivable) / payable			
Income tax receivable		**(4,449)**	(4,448)

Income tax receivable represents the anticipated tax refund in respect of the FY2017 year of $4.449 million (2016: $4.448 million) which was paid prior to 30 June 2017 to offset a franking deficit position at the time. The prepayment of tax instalments will continue until the franking deficit is permanently extinguished.

7. Income Tax (continued)

(d) Tax losses

The Group has unused tax losses of $21.021 million tax effected (2016: $14.846 million) that have not been recognised as a deferred tax asset based on an assessment of the probability that sufficient taxable profit will be available to allow the tax losses to be utilised in the near future. The unused tax losses remain available indefinitely.

The Group has recognised $7.887 million (2016: $9.410 million) of unused tax losses where it was deemed sufficient taxable income will be available to allow the tax losses to be utilised in the near future.

8. Earnings Per Share

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

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

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

	Note	2017 $'000	2016 $'000
Net loss after tax		**(22,630)**	(30,219)
		No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share		**474,868,764**	474,868,764
Effect of dilutive securities:			
- employee share awards	(i)	**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		**474,868,764**	474,868,764
Number of ordinary shares at financial year end		**474,868,764**	474,868,764

(i) The total number of granted rights and options at 30 June 2017 were excluded from the diluted weighted average number of ordinary shares calculation as their effect was anti-dilutive.

9. Dividends Paid and Proposed

(a) Dividends paid during the year

There were no dividends paid during the year.

(b) Dividends proposed and not recognised as a liability

There were no dividends proposed and not recognised as a liability as the Directors of Boom Logistics Limited have declared that no final dividend would be paid for the financial year ended 30 June 2017.

	Note	2017 $'000	2016 $'000
(c) Franking credit balance			
The amount of franking credits available for the subsequent financial year are:			
- Franking credits as at the end of the financial year at 30% (2016: 30%)		**2**	1
- Franking (deficits) / credits that will arise from the payment / (receipt) of income tax payable / (receivable) as at the end of the financial year	7(c)	**(4,449)**	(4,448)
		(4,447)	(4,447)

10. Cash and Cash Equivalents

	2017 $'000	2016 $'000
Cash at bank and on hand	**2,158**	1,756

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 24.

10. Cash and Cash Equivalents (continued)

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

	Note	2017 $'000	2016 $'000
Net loss after tax		**(22,630)**	(30,219)
Non cash items			
Depreciation and amortisation of non-current assets	6(c)	**18,205**	19,624
Impairment of property, plant and equipment	6(c)	**11,690**	18,405
Borrowing costs - amortisation	6(c)	**303**	450
Net loss on disposal of property, plant and equipment	6(c)	**263**	409
Share based payments	23	**372**	65
Changes in assets and liabilities			
(Increase) / decrease in trade and other receivables		**(1,249)**	11,553
(Increase) / decrease in inventories		**(122)**	88
(Increase) / decrease in prepayments and other assets		**59**	323
(Increase) / decrease in current tax receivables		**(1)**	1
Increase / (decrease) in trade and other payables		**438**	(2,580)
Increase / (decrease) in deferred tax liabilities		**(827)**	(3,339)
Increase / (decrease) in provisions		**(556)**	(5,143)
Increase / (decrease) in other liabilities		**316**	(1,380)
Net cash flow from operating activities		**6,261**	8,257

11. Trade and Other Receivables

	Note	2017 $'000	2016 $'000
Trade receivables	(i)	**27,968**	27,633
Allowance for impairment	24(a)	**(470)**	(210)
		27,498	27,423
Other receivables		**2,874**	1,700
Total trade and other receivables		**30,372**	29,123

(i) Trade receivables are non interest bearing and are generally on 30 - 90 day terms. An allowance for impairment is made when there is objective evidence that a trade receivable is impaired.

	2017	2016
	$'000	$'000

12. Inventories

Stock on hand at cost	**293**	171

13. Prepayments and Other Current Assets

Prepayments	**1,377**	1,351
Other current assets	**165**	250
Total prepayments and other current assets	**1,542**	1,601

14. Assets Classified as Held For Sale

Plant and equipment	**4,641**	3,928
Total assets classified as held for sale	**4,641**	3,928

Assets classified as held for sale at year end consists of cranes, plant & equipment, travel towers and access 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 lower of cost and fair value. Fair value was determined from a valuation obtained from an independent valuer dated 8 June 2017 together with the Group's sales history of comparable assets. To provide an indication about the reliability of the inputs when determining fair value, the Group has classified its assets held for sale as level 2 in the fair value hierarchy (as per *AASB 13 "Fair Value Measurement"*) where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly".

At the end of each reporting period the Directors update their assessment of the fair value of assets held for sale by considering information from a variety of sources including any independent valuations obtained during the year and current prices in an active market for similar assets.

The balance in the Group's assets classified as held for sale account at 30 June 2017 is $4.641 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 $2.782 million (2016: $6.793 million) has been recorded in profit and loss in respect of these assets, which are targeted for sale in FY2018.

15. Property, Plant and Equipment

	Note	Rental Equipment $'000	Motor Vehicles * $'000	Machinery, Furniture, Fittings & Equipment $'000	Freehold Land & Buildings $'000	Total $'000
Year ended 30 June 2017						
Carrying amount at beginning net of accumulated depreciation and impairment		**197,041**	**5,623**	**1,200**	**3,049**	**206,913**
Additions		**3,256**	**108**	**623**	**-**	**3,987**
Disposals	(i)	**(1,194)**	**(83)**	**(15)**	**-**	**(1,292)**
Transfers		**320**	**(84)**	**(236)**	**-**	**-**
Transfer to / from assets held for sale		**(6,231)**	**838**	**6**	**-**	**(5,387)**
Impairment	6(c)	**(8,908)**	**-**	**-**	**-**	**(8,908)**
Depreciation charge for the year	6(c)	**(15,163)**	**(1,523)**	**(879)**	**(122)**	**(17,687)**
Carrying amount at end net of accumulated depreciation and impairment		**169,121**	**4,879**	**699**	**2,927**	**177,626**
Closing balance at 30 June 2017						
At cost		**344,774**	**19,792**	**7,484**	**3,120**	**375,170**
Accumulated depreciation		**(175,653)**	**(14,913)**	**(6,785)**	**(193)**	**(197,544)**
Net carrying amount		**169,121**	**4,879**	**699**	**2,927**	**177,626**

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

(i) Disposals during the year totalled $3.147 million which comprises $1.292 million from property, plant and equipment and $1.855 million from assets classified as held of sale.

Property, plant and equipment with a carrying amount of $177.626 million (2016: $206.913 million) is pledged as securities for current and non current interest bearing loans and borrowings as disclosed in note 18.

15. Property, Plant and Equipment (continued)	**Note**	**Rental Equipment $'000**	**Motor Vehicles * $'000**	**Machinery, Furniture, Fittings & Equipment $'000**	**Freehold Land & Buildings $'000**	**Total $'000**
Year ended 30 June 2016						
Carrying amount at beginning net of accumulated depreciation and impairment		234,762	15,228	520	2,747	253,257
Additions		1,334	-	38	390	1,762
Disposals		(8,922)	(1,188)	(29)	-	(10,139)
Transfers		(1,720)	1	1,736	(17)	-
Transfer to / from assets held for sale		(1,260)	(6,645)	(5)	-	(7,910)
Impairment		(11,612)	-	-	-	(11,612)
Depreciation charge for the year		(15,541)	(1,773)	(1,060)	(71)	(18,445)
Carrying amount at end net of accumulated depreciation and impairment		197,041	5,623	1,200	3,049	206,913
Closing balance at 30 June 2016						
At cost		361,745	16,745	7,109	3,120	388,719
Accumulated depreciation		(164,704)	(11,122)	(5,909)	(71)	(181,806)
Net carrying amount		197,041	5,623	1,200	3,049	206,913

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

15. Plant and Equipment (continued)

Impairment

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

The carrying values of the CGU's fixed assets were tested at 30 June 2017 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 8 June 2017. The Group did not make any allowance for costs to sell as they were deemed immaterial given the Group's in house expertise and track record of successful asset sales. The Group has classified the assessment as Level 2 in the fair value hierarchy (as per AASB 13) where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly".

The tough external economic environment prevalent in the Group's key markets and in particular, the extremely difficult trading conditions experienced in the North West business unit, has lead to a decline in asset values across the sector. Consequently, the independent valuation dated 8 June 2017 together with additional management assessment of specific assets, review of useful lives and residual values have resulted in the carrying values of fixed assets exceeding their recoverable amounts. The Group has recognised an impairment charge of $11.690 million (2016: $18.405 million) which includes $2.782 million (2016: $6.793 million) against assets classified as held for sale.

The impairment charge of $8.908 million (2016: $11.612 million) recognised against the carrying value of the CGU operating fleet is as follows:

	Impairment charge $m	Post impairment Net book value $m
Aitkin CGU	0.362	1.844
Victoria CGU	0.517	6.286
New South Wales CGU	3.121	64.776
Queensland CGU	2.301	42.337
South Australia CGU	1.785	30.468
Western Australia CGU	0.822	31.240
Unallocated	-	0.675
	8.908	177.626

Assets Classified As Held For Sale

An impairment charge of $2.782 million (2016: $6.793 million) has been recognised against assets classified as held for sale. Refer to note 14 for further details.

16. Intangible Assets

	Note	2017 $'000	2016 $'000
Software development costs			
Carrying amount at beginning net of accumulated amortisation and impairment		**518**	1,675
Additions - internal development		**-**	22
Amortisation charge for the year	6(c)	**(518)**	(1,179)
Carrying amount at end net of accumulated amortisation and impairment		**-**	518
Represented by:			
Cost (gross carrying amount)		**5,980**	5,980
Accumulated amortisation and impairment		**(5,980)**	(5,462)
Net carrying amount		**-**	518

17. Trade and Other Payables

	Note	2017 $'000	2016 $'000
Current			
Trade payables - creditors		**13,522**	12,163
Other payables		**897**	2,102
Total current trade and other payables		**14,419**	14,265

Trade payables are non-interest bearing and are normally subject to settlement within 60 day terms.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 24.

18. Interest Bearing Loans and Borrowings

	Note	2017 $'000	2016 $'000
Current			
Other loans		**2,544**	-
Secured bank loans		**-**	50,753
Total current interest bearing liabilities		**2,544**	50,753
Non current			
Other loans		**34,721**	-
Secured bank loans		**10,000**	-
Prepaid borrowing costs		**(718)**	-
Total non-current interest bearing liabilities		**44,003**	-
Total interest bearing liabilities	24(c)	**46,547**	50,753

Debt facilities
At reporting date, the Group had the following debt facilities effective from 2 August 2016:

Other loans

- A $20 million, securitised trade receivables facility with Assetsecure with a termination date of 1 August 2019. The facility incurs a fixed fee and floating interest on funds drawn. There is no amortisation required over the life of this facility.
- An amortising asset finance facility with De Lage Landen Pty Limited with a termination date of 1 August 2021. The facility limit at 30 June 2017 was $22,257,121 which includes a residual payment of $10 million due on 1 August 2021. The facility attracts a fixed interest rate.

Secured bank loans

- A $12.5 million, syndicated loan facility with NAB and ANZ with a termination date of 1 July 2019. The facility attracts a floating interest rate. Amortisation payments of between $nil and $2.5 million will be due on 1 January 2018 and 1 July 2018 dependant on the earnings leverage ratio reported at the end of the respective preceding quarters.

Covenant position
The Group was in compliance with all financial and non-financial banking covenants as at 30 June 2017.

	Note	2017 $'000	2016 $'000

18. Interest Bearing Loans and Borrowings (continued)

Terms and debt repayment schedule

	Currency	Weighted average interest rate	Year of maturity	Carrying amount 2017	Carrying amount 2016
Syndicated debt	AUD	5.70%	July 2019	**10,000**	51,000
Trade receivables loan	AUD	6.12%	August 2019	**15,008**	-
Finance arrangement	AUD	6.55%	August 2021	**22,257**	-
Prepaid borrowing costs				**(718)**	(247)
Total interest bearing liabilities				**46,547**	50,753

Refer to note 24(d) for disclosure of fair value versus carrying value.

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

	2017	2016
Total facilities:		
- bank overdraft	**1,000**	1,000
- bank loans and borrowings	**54,757**	52,500
	55,757	53,500
Facilities drawn at reporting date:		
- bank overdraft	**-**	-
- bank loans and borrowings	**47,265**	51,000
	47,265	51,000
Facilities undrawn at reporting date:		
- bank overdraft	**1,000**	1,000
- bank loans and borrowings	**7,492**	1,500
	8,492	2,500

In addition, the Group has an existing $9 million working capital facility arrangement with National Australia Bank for letters of credits, bank guarantees and credit card facilities. As at 30 June 2017, $3.884 million (2016: $5.485 million) was utilised.

18. Interest Bearing Loans and Borrowings (continued)

Assets pledged as security
Fixed and floating charges are held over all of the Group's assets, including cash at bank, trade and other receivables, and assets classified as held for sale.

19. Provisions

	Note	**2017 $'000**	2016 $'000
Current			
Employee related provisions		**7,221**	7,325
Property leases		**357**	633
Restructuring		**374**	265
Total current provisions		**7,952**	8,223
Non-current			
Employee related provisions		**644**	607
Property leases		**1,241**	1,563
Total non-current provisions		**1,885**	2,170
Total provisions		**9,837**	10,393

Movements in each class of provision during the financial year, other than employee leave entitlements, are set out below:

	Note	**Restructuring $'000**	**Property lease $'000**	**Total $'000**
At 1 July 2016		265	2,196	**2,461**
Arising during the year		2,191	-	**2,191**
Utilised		(2,082)	(598)	**(2,680)**
At 30 June 2017		**374**	**1,598**	**1,972**

19. Provisions (continued)

Employee related provisions
Employee related provisions include accrued annual leave, vesting sick leave, rostered days off, long service leave and bonus provisions.

Property leases
The provision for property leases includes make good and surplus leased space provisions.

Restructuring
During the financial year, several restructuring programs were undertaken throughout the Group. Restructuring costs incurred during the year totalled $2.191 million, of which $0.374 million had yet to be utilised at year end. The restructuring costs relate to employee termination benefits based on employment contracts and other restructuring expenses. The remaining restructuring provision is expected to be fully utilised by the first half of FY2018.

20. Other Liabilities

	2017 $'000	2016 $'000
PAYG tax withheld	**509**	590
Goods and services tax	**903**	1,324
Other accrued expenses	**2,983**	2,165
Total other current liabilities	**4,395**	4,079

21. Contributed Equity

(a) Issued and paid up capital

	2017 $'000	2016 $'000
Ordinary shares fully paid	**318,065**	318,065

Ordinary shares have no par value and the company does not have a limited amount of authorised capital. All issued shares are fully paid. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

The Group's finance arrangements at reporting date provide pre-conditions on share buy-backs and dividends. These pre-conditions are:
- Gross debt is less than $40 million; and
- The ratio of gross debt to trading EBITDA from the preceding twelve months is less than 2.5 times.

21. Contributed Equity (continued)

(b) Movements in shares on issue

	Note	2017 No. of shares	2017 $'000	2016 No. of shares	2016 $'000
Beginning and end of the financial year		**474,868,764**	**318,065**	474,868,764	318,065

22. Retained Earnings

	Note	2017 $'000	2016 $'000
Balance at the beginning of year		**(150,694)**	(120,475)
Net loss for the year		**(22,630)**	(30,219)
Balance at end of year		**(173,324)**	(150,694)

23. Reserves

	Note	2017 $'000	2016 $'000
Employee equity benefits reserve			
Balance at the beginning of year		**751**	686
Share based payments	(i)	**372**	65
Total reserves		**1,123**	751

(i) The employee equity benefits reserve is used to record the value of share based payments to employees, including key management personnel, as part of their remuneration. Refer to note 27 for further details of these plans.

	Note	2017 $'000	2016 $'000

24. Financial Instruments

(a) Credit risk

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	2017 $'000	2016 $'000
Cash and cash equivalents	10	**2,158**	1,756
Trade and other receivables	11	**30,372**	29,123
		32,530	30,879

The Group's trade receivables only relate to Australian customers.

The Group has no customers that owed more than $3 million of the total trade receivables as at 30 June 2017 and 30 June 2016. The Group's credit risk is predominately concentrated in the mining, resources, energy, utilities and infrastructure sectors which have a geographical spread across Australia.

Impairment losses

Trade receivables are non-interest bearing and are generally on 30 - 60 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. A net impairment increase of $260,000 (2016: decrease $104,000) has been recognised by the Group in the current year. These amounts have been included in other expenses in the Consolidated Income Statement.

Movements in the allowance for impairment losses were as follows:

	Note	2017 $'000	2016 $'000
Balance at 1 July		**210**	314
Impairment loss recognised		**335**	484
Amounts written-off and/or written back		**(75)**	(588)
Balance at 30 June	11	**470**	210

24. Financial Instruments (continued)

(a) Credit risk (continued)

At 30 June, the aging analysis of trade receivables is as follows:

	Total $'000	Current $'000	31-60 days $'000 PDNI* (i)	31-60 days $'000 CI^ (ii)	+61 days $'000 PDNI* (i)	+61 days $'000 CI^ (ii)
2017	**27,968**	**14,821**	**8,073**	**-**	**4,604**	**470**
2016	27,633	14,506	9,416	-	3,501	210

* Past due not impaired ('PDNI')
^ Considered impaired ('CI')

(i) Based upon the credit history of these classes of trade receivables, it is expected that these amounts will be received.

(ii) As at 30 June 2017, current trade receivables of the Group with a nominal value of $470,000 (2016: $210,000) were considered impaired and provided for accordingly.

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at reporting date is the carrying amount of each class of receivables mentioned above. There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated.

24. Financial Instruments (continued)

(b) Liquidity risk

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

30 June 2017	**Carrying amount $'000**	**Contractual cash flows $'000**	**6 mths or less $'000**	**6-12 mths $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**
Non-derivative financial liabilities							
Trade and other payables	**14,419**	**(14,419)**	**(14,419)**	**-**	**-**	**-**	**-**
Other loans	**37,265**	**(43,577)**	**(2,543)**	**(2,543)**	**(5,085)**	**(33,406)**	**-**
Secured bank loans	**10,000**	**(11,141)**	**(285)**	**(285)**	**(569)**	**(10,002)**	**-**
	61,684	**(69,137)**	**(17,247)**	**(2,828)**	**(5,654)**	**(43,408)**	**-**

30 June 2016	**Carrying amount $'000**	**Contractual cash flows $'000**	**6 mths or less $'000**	**6-12 mths $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**
Non-derivative financial liabilities							
Trade and other payables	14,265	(14,265)	(14,265)	-	-	-	-
Secured bank loans	51,000	(52,664)	(14,332)	(38,332)	-	-	-
	65,265	(66,929)	(28,597)	(38,332)	-	-	-

24. Financial Instruments (continued)

(c) Interest rate risk

Profile

At the reporting date, the interest rate profiles of the Group's interest bearing financial instruments were:

	Note	Carrying amount 2017 $'000	2016 $'000
Fixed rate instruments			
Financial liabilities	(i)	**(22,257)**	-
		(22,257)	-
Variable rate instruments			
Financial assets - cash at bank and on hand	10	**2,158**	1,756
Financial liabilities	(i)	**(25,008)**	(51,000)
		(22,850)	(49,244)

(i) Fixed and variable rate instruments represent interest bearing loans and borrowings of $47,265,000 (2016: $51,000,000) per note 18.

The Group's main interest rate risk arises from short and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group is exposed to interest rate risk when funds are borrowed at floating interest rates. This risk is managed by taking into consideration the current and expected future debt profile, expectations regarding future interest rate movements and the potential to hedge against negative outcomes by entering into interest rate swaps. The Group's exposures to interest rates on financial liabilities are detailed in note 18.

Sensitivity analysis for interest rate risk

In respect of variable rate instruments, a change of 100 basis points up or down in interest rates would have decreased or increased the Group's profit and loss before tax by $228,500 (2016: $492,440).

24. Financial Instruments (continued)

(d) Fair values

Fair value estimation
The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group holds no financial instruments for trading purposes.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair values versus carrying amounts
The fair value of all borrowings equals their carrying amount at 30 June 2017 as the impact of any market discounting is not significant.

	Note	**2017**	2016
		$'000	$'000

25. Commitments

(a) Operating leases commitments

The Group has entered into commercial leases on certain plant and equipment, motor vehicles and property. These leases have terms ranging from 1 to 10 years.

	2017	2016
Minimum lease payments		
- within one year	**5,743**	6,103
- after one year but not more than five years	**6,322**	11,738
- more than five years	**-**	1,999
Aggregate operating lease expenditure contracted for at reporting date	**12,065**	19,840

25. Commitments (continued)

(b) Interest bearing loans and borrowings commitments

The Group has interest bearing loans and borrowings for various items of plant and equipment for periods of between 1 to 5 years.

	Note	2017 $'000	2016 $'000
- within one year		**5,654**	52,664
- after one year but not more than five years		**49,062**	-
- more than five years		**-**	-
Total minimum payments		**54,716**	52,664
- future finance charges		**(7,451)**	(1,664)
Net liability		**47,265**	51,000
- current liability		**2,544**	51,000
- non-current liability		**44,721**	-
		47,265	51,000

The Company has provided guarantees in respect of interest bearing loans and borrowings as disclosed in note 30.

26. Contingencies

Contingent assets

Sherrin Hire Pty Ltd, a wholly owned subsidiary of Boom Logistics Ltd, has settled its legal claim relating to the 18 metre Glove and Barrier matter. The terms of settlement include re-imbursement of legal costs estimated at $1.7 million to $2.0 million. This contingent asset has not been recognised as a receivable at 30 June 2017 as receipt of the amount is dependent on the outcome of a court process.

Contingent liabilities

There are no contingent liabilities identified at 30 June 2017.

27. Share-based Payments

The Board of Directors ("the Board") has undertaken a comprehensive review of the Group's remuneration framework, including short term and long term incentive arrangements to increase alignment of executive remuneration with shareholders interests having consideration to market practice, as outlined in the 2016 Remuneration Report date 16 August 2016.

Three new executive remuneration plans were implemented during the period:
- Salary sacrifice rights plan;
- Short term incentive plan; and
- Long term incentive plan.

(a) Salary sacrifice rights plan (SSRP)

Eligible executives will be permitted to elect to contribute a portion of their pre-tax fixed annual remuneration to acquire equity in the form of rights to fully paid ordinary shares in the Company.

Each right is a right to acquire one ordinary share in the Company. The exact number of rights to be granted is based on the amount of salary sacrificed and the 5 day volume weighted average price prior each month. Rights do not carry any dividend or voting rights. Rights will be granted twice a year following the announcement of the half-year and full-year results or in any event, within twelve months of the Annual General Meeting ("AGM"). Rights will have a twelve month exercise restriction from the relevant grant dates.

At 30 June 2017, the carrying value of the salary sacrifice rights plan was $159,718.

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

	30 June 2017	
	Average fair value per right *	**No. of rights**
At 1 July	-	-
Granted during the period	**$0.1070**	**711,207**
Exercised during the period	-	-
Forfeited during the period	-	-
At 30 June	**$0.1070**	**711,207**

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

27. Share-based Payments (continued)

(b) Short term incentive plan (STIP)

Eligible executives will have the opportunity to receive short term incentives subject to meeting performance hurdles over the financial year. 50% of the STIP outcome achieved for the financial year will be delivered in cash and 50% will be delivered in equity in the form of rights to ordinary shares in the Company.

Each right is a right to acquire one ordinary share in the Company. The exact number of rights to be granted is based on 50% of the STIP outcome divided by the 5 day volume weighted average price after the release of full year results. Rights do not carry any dividend or voting rights. Rights will be granted following the announcement of the full-year results or in any event, within twelve months of the AGM. Rights will have a six month exercise restriction commencing from the grant date.

At 30 June 2017, there were no rights granted under the STIP.

(c) Long term incentive plan (LTIP)

Eligible executives will be granted options to acquire ordinary shares in the Company, subject to annual progressive performance hurdles and some or all may vest at the end of the three year period if the performance hurdles are met.

Each option is a right to acquire one ordinary share in the Company (or an equivalent cash amount) subject to payment of the exercise price. The exact number of options to be granted will be the LTIP award divided by the option valuation using a Black-Scholes valuation methodology prior to grant date. The option exercise price is calculated based on the 5 day volume weighted average price prior to the grant date. Options do not carry any dividend or voting rights. Options will be granted within twelve months of the Annual General Meeting.

Options are subject to a performance hurdle based on absolute Earnings Per Share (“EPS”), which is measured progressively in 3 tranches over a three year performance period. Progressive performance targets will be established by the Board of Directors, however an absolute EPS hurdle must be achieved at the end of year three for any options to vest. There is no pro-rata vesting if this target is not met. The Board of Directors retains a discretion to adjust the EPS hurdle as required to ensure plan participants are neither advantaged nor disadvantaged by matters outside management’s control that materially affect absolute EPS (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

27. Share-based Payments (continued)

(c) Long term incentive plan (LTIP)

Options will be tested in three equal tranches and may vest at the end of the 3 year performance period as follows:

- **Tranche 1 performance:** If the progressive target established by the Board of Directors is met at the end of year one, 1/3 of the options will be eligible to vest at the end of the 3 year performance period (provided the Tranche 3 progressive target is also met).

- **Tranche 2 performance:** If the progressive target established by the Board of Directors is met at the end of year two, 1/3 of the options will be eligible to vest at the end of the 3 year performance period (provided the Tranche 3 progressive target is also met).

- **Tranche 3 performance:** If the overall absolute EPS target is met at the end of year three, 1/3 of the options will be eligible to vest at the end of the 3 year performance period (along with those options that met the progressive targets in respect of Tranches 1 and 2).

Options outstanding at 30 June 2017 have the following details:

Grant date	Expiry date	Exercise price	Performance hurdle	30 June 2017 Options
4 November 2016	4 September 2019	$0.1080	EPS of $0.02	17,552,956
Weighted average remaining contractual life of options outstanding at end of period				2.17 years

Fair value of options granted
The assessed fair value at grant date of options granted during the year ended 30 June 2017 was $0.0450 per option. The fair value at grant date was independently determined using the Black-Scholes valuation methodology taking into account the following factors:

- Options are granted for no consideration and vests based on the performance hurdles noted above;
- Grant date – 4 November 2016;
- Vesting date – 31 August 2019;
- Expiry date – 4 September 2019;

27. Share-based Payments (continued)

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

- Share price at grant date - $0.115;
- Exercise price - $0.108;
- Expected life – 2.8 years;
- Expected price volatility of the Company's shares – 55%;
- Risk-free interest rate – 1.66%;
- Expected dividend yield – 0%;

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

At 30 June 2017, the carrying value of the long term incentive plan was $963,399, including the ordinary shares granted under the previous LTIP where the vesting conditions are still in progress.

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

	30 June 2017	
	Average exercise price per option	**No. of options**
At 1 July	-	-
Granted during the period	**$0.1080**	**17,552,956**
Exercised during the period	-	-
Forfeited during the period	**$0.1080**	**(1,311,129)**
At 30 June	**$0.1080**	**16,241,827**
Vested and exercisable at 30 June 2017	-	-

27. Share-based Payments (continued)

(d) Legacy employee incentive schemes

Two existing legacy employee incentive schemes are in place to assist in attracting, retaining and motivating key employees as follows:

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

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

Exempt share plan (ESP)
Under this scheme, all permanent employees (excluding Directors and executives) of Boom Logistics Limited with twelve months continuous service were offered 1,000 ordinary shares in October 2003 and $1,000 worth of ordinary shares in October/November 2004 in Boom Logistics Limited for nil consideration. The ordinary shares issued were held in trust for the requisite three years restrictive period or 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. This scheme has subsequently been discontinued with only the ordinary shares issued in previous financial years remaining in the share plan.

Employee share trust (EST)
Under this scheme, certain employees (excluding non-executive Directors) approved by the Board of Directors are offered ordinary shares in Boom Logistics Limited by way of Share Units issued by the Share Plan Trustee. The Share Units are funded by way of an interest free loan provided by the Share Plan Trustee. The ordinary shares issued rank equally with and have the same rights as other fully paid ordinary shares of Boom Logistics Limited.

In June 2011, the Board of Directors approved the establishment of a Key Employee Retention Program (KERP). Participation in the program is at the discretion of the Board of Directors, on recommendation by the Managing Director. Directors and executives are not eligible for this program. KERP will be administered under the Employee Share Trust with the offer of ordinary shares in Boom Logistics Limited having the same terms and conditions, except for the vesting conditions which is only limited to a three year continuous service period.

The fair value of shares issued under the employee share incentive schemes is determined based on the 5 day volume weighted average market price at grant date.

27. Share-based Payments (continued)

(e) Employee share plan share holdings

Information with respect to the number of ordinary shares issued and allocated under the employee share plans is as follows:

	2017 Number of shares	2016 Number of shares
Balance at beginning of year	**14,903,978**	14,550,791
- issued for nil consideration (including unallocated shares in the employee share schemes allocated during the year)	**-**	5,158,579
- sold / transferred during the year	**(522,491)**	(285,047)
- lapsed during the year	**(4,094,048)**	(4,520,345)
Balance at end of year	**10,287,439**	14,903,978

(f) Expenses / (income) arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Note	**2017 $'000**	2016 $'000
Shares issued under previous employee share schemes		**29**	65
Rights issued under salary sacrifice rights plan		**160**	-
Options issued under employee option plan		**183**	-
	23	**372**	65

28. Key Management Personnel

(a) Details of Directors

Non-executive Directors	
Maxwell Findlay	Chairman (non-executive) (effective 30 September 2016)
Jean-Pierre Buijtels	Director (non-independent, non-executive) (appointed 2 June 2017)
Terrence Francis	Director (non-executive)
Terence Hebiton	Director (non-executive)
John Robinson	Chairman (non-executive) (retired 30 September 2016)
Executive Directors	
Brenden Mitchell	Managing Director and Chief Executive Officer

(b) Details of other key management personnel

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

Tony Spassopoulos	Chief Operating Officer (appointed 1 July 2017)
Tim Rogers	Chief Financial Officer
Malcolm Ross	General Counsel and Company Secretary
Shane Stafford	General Manager – readi (appointed 1 September 2016)
Paul Neillings	Executive General Manager – West Coast (appointed 12 September 2016 and resigned on 3 July 2017)
Gary Watson	Executive General Manager – West Coast (resigned on 30 September 2016)

28. Key Management Personnel (continued)

(c) Summarised compensation of key management personnel

Summary of key management personnel compensation in the following categories is as follows:

	2017	2016
	$	$
Short-term employee benefits	**2,163,253**	2,069,796
Post employment benefits	**192,310**	165,249
Other long term benefits	**59,725**	13,948
Termination benefits	**-**	-
Share based payments	**315,761**	(28,136)
Total compensation	**2,731,049**	2,220,857

Refer to the Remuneration Report in the Directors' Report for detailed compensation disclosure on key management personnel.

(d) Loans to key management personnel

In 2017, there were no loans to individual key management personnel at any time (2016: Nil).

No write-downs or allowance for doubtful receivables have been recognised in relation to any loans made to key management personnel.

(e) Other transactions and balances with key management personnel

There were no other transactions with key management personnel during the financial year (2016: Nil).

29. Related Party Disclosure

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

Name	Country of incorporation	Equity interest 2017 %	Equity interest 2016 %	Investment 2017 $'000	Investment 2016 $'000
AKN Pty Ltd	Australia	**100**	100	**-**	-
Sherrin Hire Pty Ltd	Australia	**100**	100	**32,664**	32,664
Shutdown Staffing Pty Ltd	Australia	**100**	100	**13,315**	13,315
Boom Logistics (VIC) Pty Ltd	Australia	**100**	100	**374**	374
BFG Crane Services Pty Ltd [(a)]	Australia	**50**	-	**-**	-
Total investment in subsidiaries				**46,353**	46,353

Boom Logistics Limited is the ultimate parent company.

Details relating to key management personnel, including remuneration paid, are included in the Remuneration Report on pages 16 to 35.

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

No allowance for impairment of debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or impaired debts due from related parties.

Terms and conditions of the tax funding arrangement are set out in note 3(h).

(a) BFG Crane Services Pty Ltd – incorporated joint venture

On 17 January 2017, Boom Logistics Limited entered into a joint venture agreement with a local indigenously owned company, F & G Cranes Pty Ltd, to tender for projects in Western Australia. BFG Crane Services Pty Ltd was registered as an incorporated joint venture with each party holding 50% equity interest in the entity.

The contribution from the joint venture was accounted for using the equity method and was immaterial to the Group as at 30 June 2017.

30. Deed of Cross Guarantee

Pursuant to ASIC Corporations Instrument 2016/785 (“Corporations Instrument”), the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and Directors' report.

It is a condition of the Corporations Instrument that Boom Logistics Limited and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that Boom Logistics Limited guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. The subsidiaries have also given similar guarantees in the event that Boom Logistics Limited is wound up.

The subsidiaries subject to the Deed are:

- Sherrin Hire Pty Ltd (party to the Deed on 6 December 2005);
- AKN Pty Ltd (party to the Deed on 3 November 2006 by virtue of a Deed of Assumption);
- Shutdown Staffing Pty Ltd (party to the Deed on 23 November 2007 by virtue of a Deed of Assumption);

and together with Boom Logistics Limited, represent a "Closed Group" for the purposes of the Corporations Instrument.

30. Deed of Cross Guarantee (continued)

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

	CLOSED GROUP	
	2017	2016
	$'000	$'000
Consolidated Income Statement		
Revenue	**141,025**	142,408
Other income	**2,700**	-
Salaries and employee benefits expense	**(73,434)**	(74,517)
Equipment service and supplies expense	**(41,550)**	(39,101)
Operating lease expense	**(6,586)**	(7,877)
Other expenses	**(10,574)**	(11,623)
Restructuring expense	**(2,191)**	(1,511)
Depreciation and amortisation expense	**(17,523)**	(18,957)
Impairment expense	**(11,027)**	(17,579)
Financing expense	**(4,417)**	(5,012)
Loss before income tax	**(23,577)**	(33,769)
Income tax benefit	**863**	3,403
Net loss for the year	**(22,714)**	(30,366)
Retained losses at the beginning of the year	**(160,643)**	(130,277)
Retained losses at the end of the year	**(183,357)**	(160,643)
Consolidated Statement of Comprehensive Income		
Loss for the year	**(22,714)**	(30,366)
Other comprehensive income		
Cash flow hedges recognised in equity	**-**	-
Other comprehensive income for the year, net of tax	**-**	-
Total comprehensive loss for the year	**(22,714)**	(30,366)

30. Deed of Cross Guarantee (continued)

	CLOSED GROUP	
	2017	2016
	$'000	$'000
Consolidated Balance Sheet		
Current assets		
Cash and cash equivalents	**2,144**	1,745
Trade and other receivables	**29,771**	27,394
Inventories	**278**	149
Prepayments and other current assets	**1,541**	1,605
Assets classified as held for sale	**4,313**	3,522
Income tax receivable	**4,449**	4,448
Total current assets	**42,496**	38,863
Non-current assets		
Investments	**599**	599
Property, plant and equipment	**171,340**	200,266
Intangible assets	**-**	518
Total non-current assets	**171,939**	201,383
Total assets	**214,435**	240,246
Current liabilities		
Trade and other payables	**14,374**	13,842
Interest bearing loans and borrowings	**2,544**	50,753
Provisions	**7,120**	7,387
Other liabilities	**4,190**	3,833
Total current liabilities	**28,228**	75,815
Non-current liabilities		
Payables	**9,491**	8,098
Interest bearing loans and borrowings	**44,003**	-
Provisions	**1,884**	2,170
Deferred tax liabilities	**(5,002)**	(4,010)
Total non-current liabilities	**50,376**	6,258
Total liabilities	**78,604**	82,073
Net assets	**135,831**	158,173
Equity		
Contributed equity	**318,065**	318,065
Retained losses	**(183,357)**	(160,643)
Reserves	**1,123**	751
Total equity	**135,831**	158,173

31. Auditor's Remuneration

During the year the following fees were paid or payable for services provided by KPMG Australia:

	2017	2016
	$	$
Audit services		
- audit and review of financial statements	**209,100**	210,000
Taxation, due diligence and other services		
- taxation services	**16,400**	18,000
- other services	**-**	201,000
Total taxation and other services	**16,400**	219,000
Total remuneration of KPMG Australia	**225,500**	429,000

32. Events After the Balance Sheet Date

Dividend
On 25 August 2017, the Directors of Boom Logistics Limited declared that no final dividend would be paid for the financial year ended 30 June 2017.

33. Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2017 $'000	2016 $'000
Statement of financial position		
Current assets	**34,597**	33,199
Total assets	**250,614**	270,898
Current liabilities	**26,407**	71,927
Total liabilities	**126,006**	121,537
Equity		
Contributed equity	**318,065**	318,065
Employee equity benefits reserve	**1,123**	751
Retained losses	**(194,580)**	(169,455)
Total equity	**124,608**	149,361
Net loss after tax for the year	**(25,125)**	(29,635)
Total comprehensive loss for the year	**(25,125)**	(29,635)

(b) Guarantees entered into by the parent entity

The parent entity has entered into a Deed of Cross Guarantee with the effect that the parent entity guarantees debts in respect of its subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in note 30.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2017 or 30 June 2016.

Directors' Declaration

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

   (a) the Consolidated Financial Statements and notes that are set out on pages 38 to 101, and the Remuneration Report in the Directors' Report, set out on pages 16 to 35, 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 30 June 2017 and of its performance for the financial year ended on that date; and

      (ii) complying with Accounting Standards, (including the Australian Accounting Interpretations) 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.

2. The Directors draw attention to note 2(a) to the Consolidated Financial Statements which includes a statement of compliance with International Financial Reporting Standards.

3. There are reasonable grounds to believe that the Company and the group entities identified in note 30 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations Instrument 2016/785.

4. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2017.

Signed in accordance with a resolution of the Directors:

Maxwell Findlay
Chairman

Brenden Mitchell
Managing Director

Melbourne, 25 August 2017

Independent Auditor's Report

To the members of Boom Logistics Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Boom Logistics Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- *Consolidated statement of financial position* as at 30 June 2017
- *Consolidated statement of income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows* for the year then ended
- Notes including a summary of significant accounting policies
- *Directors' Declaration.*

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Material uncertainty related to going concern

We draw attention to Note 2c, "Going Concern" in the financial report. The conditions disclosed in Note 2c indicate a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- evaluating the feasibility, quantum and timing of the Group's plans, including management's planned initiatives to respond to difficult trading conditions to address going concern;
- assessing the Group's cash flow forecasts for incorporation of the Group's operations and plans to address going concern; and
- determining the completeness of the Group's going concern disclosures for the principle matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters, and the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

Valuation of property, plant and equipment (AU$177.6m)	
Refer to Note 15 to the financial report	
The key audit matter	**The key audit matter**
A key audit matter for us was the Group's annual impairment test for its property, plant and equipment assets, given the size of the balance (being 80.3% of total assets). The majority of these assets consist of mobile cranes and travel towers which form part of the operating fleet. The Group measures the recoverable amount of its cash generating units (CGUs) using a fair value less costs to	Our procedures included: • consideration of the appropriateness of the fair value less costs of disposal method applied by the Group to perform the annual test of impairment against the requirements of the accounting standards; • assessment of Management's determination of the CGUs based our understanding of the nature of the Group's business; • assessment of the integrity of the fair value less costs to sell model used, including the accuracy of the underlying

sell model based on an assessment of fair value received from an independent specialist valuer.
 	
The judgement applied by us when evaluating the evidence available was increased due to:
 	
• the inherent complexity in estimating fair value; and
• challenging conditions in the market in which the Group operates and recent history operating losses.
 	
In addition to the above:
 	
• the carrying amount of the net assets of the Group exceeded the Group's market capitalisation at year end, which is a possible indicator of impairment;
• the Group recorded an impairment charge of $11.7m against the operating fleet due to a reduction in fair value estimates.
 	
We involved KPMG valuation specialists to supplement our senior audit team members in assessing this key audit matter
	calculation formulas;
	
	• working with our specialists, assessing our ability to rely on the independent specialist valuer's report in line with Australian Auditing Standards including assessing their experience, objectivity and competence;
	• challenging the key assumptions used in the determination of the recoverable amount by performing the following:
	  ◦ assessing the accuracy of previous valuations by comparing the historical fair value assumptions to the proceeds from the assets sales in the current year; and
	  ◦ corroborating our understanding of the underlying market conditions and the condition of the operating fleet obtained through a review of management's documentation with the independent specialist valuer;
	• working with our valuation specialists to compare the implied multiples from available market date, including share market valuations for comparable companies and comparable market transactions to the implied valuation multiple from the Group's fair value less costs to sell model;
	• recalculation of the impairment charge against the amount recognised in the financial report; and
	• assessment of the disclosures in the financial report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Boom Logistics Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the *Director's Report including the Operating and Financial Review and the Remuneration Report.* The *Corporate Directory, Chairman's Report, Managing Director's Report, Highlights, Our Customers, Markets and Operations, Our Health Safety, Environment and Quality, Our People and Systems, Corporate Governance and ASX Additional Information* are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*

- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error

- assessing the Group and Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Boom Logistics Limited for the year ended 30 June 2017, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in *pages 16 to 35* of the Directors' report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Paul J McDonald

Paul J McDonald

Partner

Melbourne

25 August 2017