

Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	Boom Logistics Limited
ABN	28 095 466 961
Financial Year Ended	30 June 2022
Previous Corresponding Reporting Period	30 June 2021

Results for Announcement to the Market

	FY2022 \$'000	FY2021 \$'000	Percentage increase /(decrease) over previous corresponding period
Revenue	215,844	173,255	25%
Profit from continuing operations after tax	3,791	1,230	208%
Net profit for the period attributable to members	3,791	1,230	208%
Dividends (distributions)	Amount per security		Franked amount per security
Final Dividend	n/a		Nil
Interim Dividend	0.5 cents		Nil
Record date for determining entitlements to the dividends (if any)		n/a	
Date the dividend is payable		n/a	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Revenue of \$215.8 million for FY22 was a 25% improvement on the prior year (FY21: \$173.3 million). On the back of strong revenue, the Group reported a profit after tax of \$3.8 million compared with a profit of \$1.2 million in the prior year.

The cyber incident in May 2022 incurred one-off support costs of \$0.3 million in the FY22 results for containment, remediation and recovery activities. Immediate action was taken, activating business continuity plans and processes. The Group's systems showed integrity and resilience, enabling the business to continue operating and with learnings applied from the incident to further enhance Boom's Information Technology systems.

Mining and Resources remained the Group's largest business sector with revenue at \$116 million, an increase of \$35 million year on year. The SCM21 major smelter shutdown project at Olympic Dam contributed \$17.9 million of revenue in addition to the Group's ongoing long term maintenance contract for the Olympic Dam site. Regular maintenance work in both Central Queensland and Western Australia was strong and continues to build on good customer relationships in both regions.

The Renewables and Energy sector revenue was \$43 million in FY22, representing 20% of the Group's revenue. In wind farm installation, Boom provided lifting services at the Coopers Gap wind farm in QLD and Bango wind farm in NSW throughout FY22. Boom also continued to increase revenue from wind farm maintenance, with significant works being undertaken by major wind farm clients. This sector represents a growing opportunity for the Group to expand the range of services it offers to customers, complementing the existing core services provided by its highly skilled wind farm crews, cranes and travel towers.

The Energy market also provides a growing opportunity for the Group. During the year, Boom worked with Powerlines Plus to install a 220kv transmission line in the Pilbara region of Western Australia, also extending its scope of work which now comprises 285 high voltage towers. Boom has been awarded a new contract for the high voltage interconnector work between South Australia and NSW to commence in FY23.

The Infrastructure sector revenue in FY22 was \$31 million, up \$8 million from the prior year. The Group continued to work on the Snowy 2.0 project, assisting with both general craneage and the build and positioning of the major tunnel boring machines that are being used to construct 27 kilometres of tunnels that will link the Tantangara and Talbingo dams.

Delays caused by deferred works were experienced in the infrastructure sector across the eastern seaboard, particularly in metropolitan areas where COVID-19 and supply chain related delays impacted growth in FY22. Boom has a strong pipeline of opportunities in FY23 and is well placed to capitalise on the growing infrastructure segment as new major projects commence. Boom's flexible rental model provides access to new equipment which can be deployed on infrastructure projects as opportunities arise.

The remaining revenues of \$26 million were from industrial maintenance, telecommunications and other general hire activities. Works in the telecommunications segment were significantly impacted by state government COVID-19 lockdowns and restrictions. Heavy rainfall events in

Sydney and Brisbane throughout the second half of the financial year also impacted on this sector which is comprised of transactional and discrete work packages that can be cancelled or rescheduled on short notice.

The Group operates in market sectors which are expected to continue long term sustained growth. This improved net profit demonstrates that the Group's strategy of focusing on its key diversified markets with recurring revenue and strong pipelines of new opportunities is effective.

The Group continues to have access to debt funding and also utilises its flexible rental model to target improved returns on capital and further profit growth in FY23.

Commentary on the results for the reporting period are contained in the ASX Release and the Market Presentation both dated 26 August 2022.

Dividends

Date the dividend is payable	n/a
Record date to determine entitlement to the dividend	n/a
Amount per security	n/a
Total dividend	n/a
Amount per security of foreign sourced dividend or distribution	n/a
Details of any dividend reinvestment plans in operation	n/a
The last date for receipt of an election notice for participation in any dividend reinvestment plans	n/a

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security (cents per share) ^a	\$0.26	\$0.26
^a The right-of-use asset of \$36.2 million (2021: \$25.6 million) has been treated as a tangible asset for the purpose of the NTA backing calculation.		

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer to comments noted above.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:

Basic and diluted EPS as at 30 June 2022 was positive 0.9 cents compared with a positive 0.3 cents at 30 June 2021.

Returns to shareholders including distributions and buy-backs:

The Company paid unfranked dividends of 1.0 cent per share on 5 November 2021 and 0.5 cents per share on 6 April 2022 totaling \$6.417 million.

Discussion of trends in performance:


Refer to comments noted above.

Audit/Review Status

This report should be read in conjunction with the preliminary financial report. The financial statements in the preliminary financial report are in the process of being audited.

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	2022 preliminary unaudited financial report including a consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity with accompanying notes.

Signed By (Director / Company-Secretary)	
Print Name	Tony Spassopoulos
Date	26 August 2022



BOOM LOGISTICS LIMITED

ABN 28 095 466 961

**PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2022**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Revenue	2	215,844	173,255
Other income	3(a)	228	714
Salaries and employee benefits expense		(96,592)	(87,731)
Equipment service and supplies expense	3(b)	(63,492)	(37,890)
Operating lease expense		(187)	(436)
Other expenses	3(b)	(14,245)	(11,536)
Depreciation and amortisation expense	7	(16,597)	(16,189)
Depreciation expense – Right-of-use assets	14	(17,876)	(15,667)
Profit before financing expense and income tax		7,083	4,520
Financing expense	11(d)	(1,922)	(2,055)
Financing expense – Lease liabilities	14	(1,370)	(1,235)
Profit before income tax		3,791	1,230
Income tax	4(a)	-	-
Net profit attributable to members of Boom Logistics Limited		3,791	1,230
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges recognised in equity, net of tax		33	130
Other comprehensive income for the year, net of tax		33	130
Total comprehensive income for the year attributable to members of Boom Logistics Limited		3,824	1,360
Basic earnings per share (cents per share)	5	0.9	0.3
Diluted earnings per share (cents per share)	5	0.9	0.3

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

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	Note	2022 \$'000	2021 \$'000
CURRENT ASSETS			
Cash and cash equivalents		2,414	2,347
Trade receivables, contract assets and other receivables	2(b)	41,469	42,915
Inventories, prepayments and other current assets		2,994	2,639
Lease receivables	14	-	437
TOTAL CURRENT ASSETS		46,877	48,338
NON-CURRENT ASSETS			
Property, plant and equipment	7	107,693	122,654
Right-of-use assets	14	36,214	25,619
Deferred tax asset	4(b)	-	11
TOTAL NON-CURRENT ASSETS		143,907	148,284
TOTAL ASSETS		190,784	196,622
CURRENT LIABILITIES			
Trade and other payables		14,912	15,570
Interest bearing loans and borrowings	11	17,375	23,609
Lease liabilities	14	14,920	15,733
Employee provisions		9,929	9,122
Other provisions and liabilities	10	4,709	5,762
Derivative financial instruments		-	93
Income tax payable	4(c)	185	2,224
TOTAL CURRENT LIABILITIES		62,030	72,113
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	11	-	361
Lease liabilities	14	15,112	8,483
Employee provisions		368	497
Other provisions and liabilities	10	3,043	2,248
Income tax payable	4(c)	-	185
Deferred tax liabilities	4(b)	3	-
TOTAL NON-CURRENT LIABILITIES		18,526	11,774
TOTAL LIABILITIES		80,556	83,887
NET ASSETS		110,228	112,735
EQUITY			
Contributed equity	13(a)	310,327	310,327
Retained losses		(203,234)	(200,608)
Reserves		3,135	3,016
TOTAL EQUITY		110,228	112,735

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from customers		239,995	184,349
Payments to suppliers and employees		(199,321)	(155,471)
Interest paid		(1,682)	(1,763)
Interest paid – Lease liabilities	14	(1,370)	(1,235)
Interest received		8	8
Interest received – Lease receivables	14	9	59
Income tax (paid)		(2,224)	(2,038)
Net cash provided by operating activities	9	35,415	23,909
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,160)	(14,711)
Proceeds from the sale of property, plant and equipment		2,913	4,820
Net cash (used in) investing activities		(2,247)	(9,891)
Cash flows from financing activities			
Payment of dividends	6	(6,417)	(4,278)
Proceeds from borrowings		-	11,821
Repayment of borrowings		(6,836)	(5,964)
Repayment of borrowings – Lease liabilities		(20,725)	(16,114)
Receipts from finance leases as lessor	14	877	1,176
Payment of transaction costs related to share buy-back and borrowings		-	(443)
Net cash (used in) financing activities		(33,101)	(13,802)
Net increase in cash and cash equivalents		67	216
Cash and cash equivalents at the beginning of the period		2,347	2,131
Cash and cash equivalents at the end of the period		2,414	2,347

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

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	Notes	Contributed Equity \$'000	Retained Losses \$'000	Retained Profits \$'000	Cash Flow Hedge Reserve \$'000	Employee Equity Benefits Reserve \$'000	Total Equity \$'000
At 1 July 2020		310,327	(197,560)	-	(163)	2,670	115,274
Profit for the year		-	-	1,230	-	-	1,230
Other comprehensive income		-	-	-	130	-	130
Total comprehensive income		-	-	1,230	130	-	1,360
Transactions with owners in their capacity as owners:							
Cost of share based payments	19(b)	-	-	-	-	379	379
Dividends paid		-	(4,278)	-	-	-	(4,278)
At 30 June 2021		310,327	(201,838)	1,230	(33)	3,049	112,735
Profit for the year		-	-	3,791	-	-	3,791
Other comprehensive income		-	-	-	33	-	33
Total comprehensive income		-	-	3,791	33	-	3,824
Transactions with owners in their capacity as owners:							
Cost of share based payments	19(b)	-	-	-	-	86	86
Dividends paid		-	(6,417)	-	-	-	(6,417)
At 30 June 2022		310,327	(208,255)	5,021	-	3,135	110,228

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

About This Report

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Board of Directors on 25 August 2022.

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 1.

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).

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 which are measured at fair value. The financial report is presented in Australian dollars which is the Company's functional currency.

Boom's Directors have included information in this report that they deem to be material and relevant to the understanding of the financial report. Disclosure may be considered material and relevant if the dollar amount is significant due to size or nature, or the information is important to understand the:

- Group's current year results;
- impact of significant changes in Boom's business; or
- aspects of the Group's operations that are important to future performance.

Disclosure of information that is not material may undermine the usefulness of the financial report by obscuring important information.

COVID-19 Impact on the Group

Since the onset of the COVID-19 global pandemic, which was declared by the World Health Organisation on 11 March 2020, the Group has been able to effectively manage its operations to minimise disruption to the business.

The Group derives the majority of its revenue from the following sectors: mining and resources; infrastructure and construction; wind, energy and utilities; industrial maintenance; and telecommunications which are designated as essential services and have continued to operate throughout the year.

During FY2022, the Group has continued to work with customers to ensure that all health requirements are met including restrictions on staff travel, maintaining cleaning processes for equipment, maintaining social distancing protocols and observing state government work from home orders for non-essential staff.

Whilst the pandemic and on-going uncertainty has created challenges during the year, the Group's financial performance improved significantly in the period.

The pandemic has also had continued impact on international shipping. Significant delays from Europe impacted the arrival of a number of new large travel tower assets that were ordered during the FY2021 year to service growth opportunities in the energy sector. These assets arrived in June 2022.

Whilst the uncertainty created by the pandemic has fluctuated through FY2022, it has not materially impacted the Group nor its assessment of going concern. The Group has long term debt facilities committed to December 2023 with significant undrawn capacity. Further growth in cash flow and earnings are forecast for FY2023.

The directors believe that it remains appropriate to prepare the accounts on a going concern basis.

Section A: Financial Performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the financial year.

1. Segment Reporting

Description of operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resource allocation and to assess performance. The CODM who is responsible for allocating resources and assessing performance of the operating segments is the Managing Director and CEO.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

Segment information

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Year ended 30 June 2022	Lifting Solutions \$'000	Labour Services \$'000	Other* \$'000	Elimination \$'000	Consolidated \$'000
Segment revenue					
Total external revenue	215,577	267	-	-	215,844
Inter-segment revenue	-	13,224	-	(13,224)	-
Total segment revenue	215,577	13,491	-	(13,224)	215,844
Other income					228
Total revenue and other income					216,072
Segment result					
Operating result	47,109	125	(5,906)	-	41,328
Net profit on disposal of property, plant and equipment	211	-	-	-	211
Depreciation and amortisation	(34,010)	(51)	(412)	-	(34,473)
Profit before net interest and tax	13,310	74	(6,318)	-	7,066
Net interest	(3,261)	(1)	(13)	-	(3,275)
Income tax					-
Profit from continuing operations					3,791
Segment assets and liabilities					
Segment assets	193,934	408	962	(4,520)	190,784
Segment liabilities	77,113	332	3,111	-	80,556
Additions to non-current assets	33,231	-	-	-	33,231

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

Year ended 30 June 2021	Lifting Solutions \$'000	Labour Services \$'000	Other* \$'000	Elimination \$'000	Consolidated \$'000
Segment revenue					
Total external revenue	172,445	810	-	-	173,255
Inter-segment revenue	-	15,457	-	(15,457)	-
Total segment revenue	172,445	16,267	-	(15,457)	173,255
Other income					714
Total revenue and other income					173,969
Segment result					
Operating result	38,914	1,314	(4,566)	-	35,662
Net profit on disposal of property, plant and equipment	647	-	-	-	647
Depreciation and amortisation	(31,178)	(53)	(625)	-	(31,856)
Profit before net interest and tax	8,383	1,261	(5,191)	-	4,453
Net interest	(3,190)	(5)	(28)	-	(3,223)
Income tax					-
Profit from continuing operations					1,230
Segment assets and liabilities					
Segment assets	196,833	416	1,033	(1,660)	196,622
Segment liabilities	77,937	864	5,086	-	83,887
Additions to non-current assets	33,440	-	-	-	33,440

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

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2. Revenue from Contracts with Customers

(a) Disaggregation of revenue from contracts with customers

Boom Logistics Limited is domiciled in Australia and all core revenue is derived from customers within Australia. The Group derives revenue from the transfer of services over time in the following industry segments:

Industry segment	Lifting Solutions \$'000	Labour Services \$'000	Consolidated \$'000
Year ended 30 June 2022			
Mining & resources	116,279	–	116,279
Wind, energy, & utilities	42,904	–	42,904
Infrastructure & construction	31,012	124	31,136
Industrial maintenance	16,720	57	16,777
Telecommunications	7,465	25	7,490
Other	1,197	61	1,258
Total revenue from contracts with customers	215,577	267	215,844
<i>Timing of revenue recognition</i>			
Services transferred over time	215,577	267	215,844
Year ended 30 June 2021			
Mining & resources	81,480	–	81,480
Wind, energy, & utilities	39,403	26	39,429
Infrastructure & construction	23,105	106	23,211
Industrial maintenance	17,984	331	18,315
Telecommunications	9,894	–	9,894
Other	579	347	926
Total revenue from contracts with customers	172,445	810	173,255
<i>Timing of revenue recognition</i>			
Services transferred over time	172,445	810	173,255

(b) Contract balances

	Note	2022 \$'000	2021 \$'000
Trade and other receivables		38,450	35,595
Contract assets	(i)	3,019	7,320
Total trade receivables, contract assets and other receivables		41,469	42,915

(i) Contract assets relate to the Group's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues the invoices to the customers.

Recognition and measurement

Revenue from the hire of lifting/access equipment, labour and other services provided is recognised when the performance obligation is satisfied. This typically occurs when the job dockets or timecards are approved by the customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis.

Revenue from the installation of wind towers is recognised by using either the equipment hire and labour rate models (schedule of rates) or the stage of completion of the contract, as specified in the contracts. The stage of completion is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

measured by reference to work completed on each stage of a wind tower unit calculated as a percentage of the total wind towers included under the contract.

The total consideration in the services above is allocated based on their standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the services in separate transactions. The fair value and the stand-alone selling prices of both types of services are considered broadly similar.

Key estimate and judgement

Determining the stage of completion requires an estimate of the wind tower units completed to date as a percentage of the total wind tower units under the contract. Where variations and claims are made to the contract, assumptions are made regarding the probability that the customer will approve the variations and claims and the amount of revenue that will arise. Changes in these estimation methods could have a material impact on the financial statements.

3. Other Income and Expenses

	2022 \$'000	2021 \$'000
(a) Other income		
Profit on disposal of plant and equipment	235	583
(Loss)/profit on disposal of plant and equipment – Right-of-use assets	(24)	64
Interest income	8	8
Interest income – Lease receivables	9	59
Total other income	228	714
(b) Expenses		
External equipment hire	16,867	10,376
External labour hire	17,722	2,855
Maintenance	11,706	9,383
Fuel	3,234	2,176
External transport	5,982	6,336
Employee travel and housing	1,942	1,949
Other reimbursable costs (on-charged to customers)	1,169	1,440
Other equipment services and supplies	4,870	3,375
Total equipment services and supplies expense	63,492	37,890
Employee related	2,772	1,876
Insurance and compliance	4,646	3,501
IT and communications	2,864	2,367
Occupancy	1,211	1,057
Other overheads	2,752	2,735
Total other expense	14,245	11,536

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

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4. Income Tax

	2022 \$'000	2021 \$'000
(a) Income tax expense		
A reconciliation between tax expense and accounting profit before income tax is as follows:		
Accounting profit before tax from continuing operations	3,791	1,230
At the Group's statutory income tax rate of 30% (2021: 30%)	1,137	369
Expenditure not allowable for income tax purposes	71	52
Previously unrecognised tax credits now recouped to reduce current tax expense	(2,309)	(421)
Derecognition of tax losses recognised in previous years	1,101	-
Income tax	-	-

	Opening Balance \$'000	Recognised in Income Statement \$'000	Recognised in Equity \$'000	Closing Balance \$'000
(b) Deferred income tax				
Year ended 30 June 2022				
- Employee leave provisions	2,886	203	-	3,089
- Allowance for impairment on financial assets	285	27	-	312
- Liability accruals	1,006	161	-	1,167
- Restructuring provisions	17	(17)	-	-
- Tax losses	3,900	(1,101)	-	2,799
- Plant and equipment	(8,097)	727	-	(7,370)
- Derivative financial instruments	14	-	(14)	-
Net deferred tax asset / (liabilities)	11	-	(14)	(3)
Year ended 30 June 2021				
- Employee leave provisions	2,657	229	-	2,886
- Allowance for impairment on financial assets	334	(49)	-	285
- Liability accruals	1,606	(600)	-	1,006
- Restructuring provisions	12	5	-	17
- Tax losses	4,272	(372)	-	3,900
- Plant and equipment	(8,884)	787	-	(8,097)
- Derivative financial instruments	70	-	(56)	14
Net deferred tax asset / (liabilities)	67	-	(56)	11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

(c) Income tax payable

Income tax payable represents the remaining franking deficit tax that is being paid in twenty four interest free equal monthly instalments from August 2020 to July 2022. As at 30 June 2022, of the \$4.262 million of income tax instalments paid to date, \$3.166 million was utilised to offset the income tax payable arising from the financial year results.

(d) Tax losses

The Group has total tax losses of \$31.165 million tax effected (2021: \$31.165 million). \$2.799 million of these losses have been recognised on balance sheet and \$28.366 million has 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 and are in addition to the franking deficit tax payments that can also be used to offset future tax payable.

Recognition and measurement

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 reporting date.

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are recognised for all deductible / taxable temporary differences except where they arise 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 reporting 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 reporting 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.

Income tax is recognised as an expense or income in the consolidated income statement unless it relates to other items recognised directly in other comprehensive income in which case the tax is also recognised directly in other comprehensive income.

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 have entered into tax funding and sharing agreements such that each entity in the tax consolidated group recognises the assets, liabilities, revenues and expenses in relation to its own transactions, events and balances only.

Key estimate and judgement

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. Judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and the level of future taxable profits. Utilisation of tax losses also depends on the ability of the Group to satisfy certain tests at the time the losses are recouped.

5. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit or loss 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 or loss for the year 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

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

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	Note	2022 \$'000	2021 \$'000
Net profit after tax		3,791	1,230
No. of shares			
Weighted average number of ordinary shares used in calculating basic earnings per share		427,774,207	427,774,207
<i>Effect of dilutive securities:</i>			
- employee share awards	(i)	2,220,457	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		429,994,664	427,774,207
Number of ordinary shares at financial year end		427,774,207	427,774,207

(i) Dilutive securities are options granted to employees under the long term incentive plan and included in the calculation of diluted earnings per share assuming all vesting conditions are met.

6. Dividends

The Company paid unfranked dividends of 1.0 cent per share on 5 November 2021 and 0.5 cents per share on 6 April 2022 totalling \$6.417 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

Section B: Operating Assets and Liabilities

This section provides information relating to the key operating assets used and liabilities incurred to support delivering the financial performance of the Group.

7. Property, Plant and Equipment

	Rental Equipment \$'000	Motor Vehicles \$'000	Machinery, Furniture, Fittings & Equipment \$'000	Freehold Land & Buildings \$'000	Total \$'000
Year ended 30 June 2022					
Opening carrying amount	118,863	1,926	422	1,443	122,654
Additions	3,636	186	10	-	3,832
Disposals	(2,175)	(15)	(6)	-	(2,196)
Transfers	9	(15)	6	-	-
Depreciation charge for the year	(15,520)	(660)	(298)	(119)	(16,597)
Closing carrying amount	104,813	1,422	134	1,324	107,693
At cost	284,469	18,590	6,148	3,120	312,327
Accumulated depreciation	(179,656)	(17,168)	(6,014)	(1,796)	(204,634)
Closing carrying amount	104,813	1,422	134	1,324	107,693
Year ended 30 June 2021					
Opening carrying amount	119,031	2,648	955	1,562	124,196
Additions	14,695	7	9	-	14,711
Disposals	(744)	(34)	(3)	-	(781)
Transfers	715	1	1	-	717
Depreciation charge for the year	(14,834)	(696)	(540)	(119)	(16,189)
Closing carrying amount	118,863	1,926	422	1,443	122,654
At cost	294,871	19,113	6,203	3,120	323,307
Accumulated depreciation	(176,008)	(17,187)	(5,781)	(1,677)	(200,653)
Closing carrying amount	118,863	1,926	422	1,443	122,654

Property, plant and equipment with a carrying amount of \$107.693 million (2021: \$122.654 million) is pledged as securities for current and non-current interest bearing loans and borrowings as disclosed in note 11.

Assets classified as held for sale

There were no assets classified as held for sale at 30 June 2022.

Recognition and measurement

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 on an asset, 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 consumable parts of property, plant and equipment is recognised in profit or loss as incurred.

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

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Buildings	20 Years
Mobile Cranes	10 to 15 Years
Travel Towers	10 to 20 Years
Access and Ancillary Equipment	10 Years
Vehicles	5 to 10 Years
Office and Workshop Equipment	3 to 10 Years
Leasehold Improvements	Lease term
Computer Equipment	3 to 5 Years

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 statement of comprehensive income in the year the asset is disposed of.

Key estimate and judgement

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 above. 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 the second hand equipment market at any given point in the economic cycle.

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

8. Impairment Testing of Non-Financial Assets

Recognition and measurement

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 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").

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 of disposal. 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.

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 statement of comprehensive income. 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.

Key estimate and judgement

The carrying values of the CGU's fixed assets were tested at 30 June 2022 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 of all cranes and travel tower assets obtained from an independent valuer dated 21 June 2022. The independent valuer concluded a fair value of \$137.033 million (2021: \$125.265 million) for the Group's cranes and travel tower assets. 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 independent valuation supported the carrying value of the CGU's crane and travel tower assets as stated in the consolidated statement of financial position. The evaluation is consistent with the Group's assessment of the economic environment, lengthening lead times for new equipment and second hand asset values. Consequently, no impairment adjustment to the carrying value of operating fleet was considered necessary at 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

9. Reconciliation of the Net Cash Flows from Operations with Net Profit/(Loss) After Tax

	Note	2022 \$'000	2021 \$'000
Net profit after tax		3,791	1,230
<i>Non cash items</i>			
Depreciation and amortisation of non-current assets		34,473	31,856
Borrowing costs – amortisation	11(d)	240	292
Net profit on disposal of non-current assets	3	(211)	(647)
Share based payments	19(b)	86	379
<i>Changes in assets and liabilities</i>			
Decease/(increase) in trade receivables, contract assets and other receivables		1,446	(8,363)
(Increase) in inventories, prepayments and other assets		(837)	(75)
(Increase) in current and deferred tax balances		(2,213)	(1,982)
(Decrease)/increase in trade and other payables		(658)	3,618
(Decrease) in provisions and other liabilities		(702)	(2,399)
Net cash flow from operating activities		35,415	23,909

10. Other Provisions and Liabilities

Other provisions and liabilities include accruals for PAYG, GST, wages, superannuation and payroll tax. The balance also includes provision for make good costs on leases of \$0.793 million (2021: \$1.145 million) which principally relates to shipment costs of returning leased equipment, including onshore transportation costs.

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Section C: Funding Structures

This section provides information relating to the Group's funding structure and its exposure to financial risk, how they affect the Group's financial position and performance and how the risks are managed.

11. Interest Bearing Loans and Borrowings

	Note	2022 \$'000	2021 \$'000
<i>Current</i>			
Other loans	(i)	17,493	23,967
Prepaid borrowing costs		(118)	(358)
Total current interest bearing loans and borrowings		17,375	23,609
<i>Non current</i>			
Other loans	(i)	-	361
Total non-current interest bearing loans and borrowings		-	361
Total interest bearing loans and borrowings		17,375	23,970

(i) Other loans include an amortising loan of \$0.361 million disclosed as current. The loan expires in July 2022.

Other current loans also include the receivables finance facility that has a committed facility limit to December 2023. The drawings made under the committed facility limit are however revolving in nature and accordingly, the debt of \$17.132 million outstanding under the facility at year end has been disclosed as a current liability. Amounts outstanding under the facility are not required to be repaid until December 2023 at the end of the facility term.

(a) Covenant position

The Group is not subject to any financial covenants under existing facilities.

(b) Assets pledged as security

Fixed and floating charges are held over all of the Group's assets, including cash at bank, trade receivables, contract assets and other receivables, and property, plant and equipment.

(c) Terms and debt repayment schedule

	Currency	Weighted average interest rate	Year of maturity	Carrying Amount	
				2022 \$'000	2021 \$'000
Trade receivables loan	AUD	7.17%	December 2023	17,132	19,349
Finance arrangement	AUD	5.92%	July 2022*	361	4,979
Prepaid borrowing costs				(118)	(358)
Total interest bearing liabilities				17,375	23,970

*Extended to February 2024 subsequent to reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

(d) Financing expense	2022 \$'000	2021 \$'000
Interest expense	1,278	1,178
Borrowing costs – amortisation (non-cash)	240	292
Borrowing costs – other	404	585
Total financing expense	1,922	2,055

(e) Financing facilities available

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

Total facilities:

– bank loans and borrowings	113,000	113,000
	113,000	113,000

Facilities drawn at reporting date:

– bank loans and borrowings	35,116	31,759
	35,116	31,759

Facilities undrawn at reporting date:

– bank loans and borrowings	67,221	67,907
	67,221	67,907

Total facilities consist of \$56 million receivables finance facility, \$22 million chattel mortgage facility, and \$35 million asset finance facility.

Of the \$56 million receivables finance facility, \$17.1 million was drawn with a further \$1.3 million utilised by bank guarantees. \$37.6 million of the undrawn facility was available subject to the availability of eligible debtors which was \$2.0 million at the reporting date.

The \$22 million chattel mortgage facility was undrawn at the reporting date.

Of the \$35 million asset finance facility, \$18.0 million was drawn including \$17.6 million of finance leases. A further \$9.4 million was utilised by operating leases. \$7.6 million was undrawn at the reporting date.

Recognition and measurement

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 which is way of allocating interest expense evenly and consistently over the life of loans and borrowings.

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

The fair value of all borrowings approximates their carrying amount at the reporting date as the impact of any market discounting is not significant.

12. 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.

(a) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade receivables, contract assets 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 reporting date is addressed in each applicable note.

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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.

Trade receivables and contract assets

The Group applies the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade

receivables are a reasonable approximation of the loss rates for the contract assets.

The Group established a provision matrix based on the historical credit loss experience and adjusted for forward looking factors specific to the debtors and the economic environment. The Group considers trade receivables and contract assets are at risk when contractual payments are 120 days past invoice date, subject to other internal or external information that indicate otherwise.

Collectability 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 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.

At the reporting date, the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix is as follows:

	ECL Rate	Trade Receivables* \$'000	Contract Assets* \$'000	Total \$'000	Loss Allowance \$'000
Year ended 30 June 2022					
0 – 30 days	0.20%	20,325	3,019	23,344	43
31 – 60 days	0.25%	7,029	–	7,029	16
61 – 90 days	0.75%	7,299	–	7,299	50
91 – 120 days	7.50%	2,024	–	2,024	138
+120 days	20.00%	2,143	–	2,143	390
		38,820	3,019	41,839	637
Year ended 30 June 2021					
0 – 30 days	0.20%	22,323	7,320	29,643	56
31 – 60 days	0.25%	6,663	–	6,663	15
61 – 90 days	0.75%	4,960	–	4,960	34
91 – 120 days	7.50%	1,840	–	1,840	125
+120 days	20.00%	470	–	470	85
		36,256	7,320	43,576	315

* Trade receivables and contract assets are net of specific transactions totalling \$0.285 million (2021: \$0.234 million) that have been fully provided and excluded from above general provision calculation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The movement in the allowance for impairment in respect of trade receivables and contract assets during the financial year is as follows:

	Note	2022 \$'000	2021 \$'000
Balance at 1 July		949	1,114
Impairment loss recognised		101	378
Amounts written-off and/or written back		(10)	(543)
Balance at 30 June	(i)	1,040	949

(i) The allowance for impairment of \$1.040 million comprises a specific provision of \$0.285 million (2021: \$0.234 million), \$0.637 million calculated from the provision matrix (2021: \$0.315 million), and an additional allowance of \$0.118 million in excess (2021: \$0.400 million in excess) of the allowance calculated using the provision matrix above. The additional amount is to allow for a perceived temporary increase in the risk profile as a result of the uncertain economic environment at 30 June 2022.

Recognition and measurement

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

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable or contract asset 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 statement of comprehensive income.

(b) 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, monthly and three year rolling basis.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of operating leases, finance leases and trade receivables loan. At 30 June 2022, the Group's balance sheet gearing ratio was 29% (interest bearing loans and borrowing plus finance lease liabilities less cash / total equity) (2021: 26%). Allowing for the additional operating lease liabilities recognised in accordance with AASB 16, the Group's balance sheet gearing ratio was 41% (2021: 41%).

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The table below represents the undiscounted contractual settlement terms for financial liabilities based on the remaining period at the reporting date to the contractual maturity date.

	Carrying amount \$'000	Contractual cash flows \$'000	6 mths or less \$'000	6-12 mths \$'000	1-2 years \$'000	2-5 years \$'000
Year ended 30 June 2022						
Trade and other payables	14,912	(14,912)	(14,912)	-	-	-
Income tax payable	185	(185)	(185)	-	-	-
Other loans	17,493	(18,870)	(9,393)	(9,030)	(447)	-
Lease liabilities	30,032	(31,718)	(6,487)	(6,487)	(11,917)	(6,827)
	62,622	(65,685)	(30,977)	(15,517)	(12,364)	(6,827)
Year ended 30 June 2021						
Trade and other payables	15,570	(15,570)	(15,570)	-	-	-
Derivatives	93	(93)	(73)	(20)	-	-
Income tax payable	2,409	(2,409)	(1,112)	(1,112)	(185)	-
Other loans	24,328	(26,914)	(12,555)	(12,555)	(1,335)	(469)
Lease liabilities	24,216	(25,455)	(7,734)	(7,734)	(5,752)	(4,235)
	66,616	(70,441)	(37,044)	(21,421)	(7,272)	(4,704)

Recognition and measurement

Trade and other payables 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 60 days of recognition.

(c) Market risk

Market risk is the risk that changes in interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

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

	Carrying amount	
	2022 \$'000	2021 \$'000
<i>Fixed rate instruments</i>		
Financial liabilities	(17,984)	(12,410)
	(17,984)	(12,410)
<i>Variable rate instruments</i>		
Financial assets – cash at bank and on hand	2,414	2,347
Financial liabilities	(17,132)	(19,349)
	(14,718)	(17,002)

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. This risk is managed by taking into consideration the current and expected future debt profile, expectations regarding future interest rate movements, the mix between variable and fixed rate borrowings and the potential to hedge against negative outcomes by entering into interest rate swaps.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Foreign exchange rate risk

Foreign exchange risk arises when future commercial transactions and recognised liabilities are denominated in a currency that is not the entity's functional currency. The Group has transactional currency exposures arising from operating lease of plant and equipment denominated in Euros.

In order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase Euros. These contracts are hedging highly probable forecasted transactions and are timed to mature when payments are scheduled to be made. The forward exchange contracts are considered to be fully effective cash flow hedges and any gain or loss on the contracts is taken directly to equity.

The Group's exposure to foreign exchange rate risk at the reporting date, expressed in Australian dollars, was \$0.440 million (2021: \$0.596 million) and the forward exchange contracts had a fair value of \$nil payable at 30 June 2022 (2021: \$0.047 million payable).

Sensitivity

Movements in the Australian dollar against the Euro would not result in a material difference to the balances stated in the consolidated statements of changes in equity and comprehensive income.

Recognition and measurement

Derivatives designated as hedging instruments are classified as cash flow hedges.

At the inception of each hedging transaction, the Group documents the relationship between the hedging instruments and hedged items, its risk management objectives and its strategy for undertaking the hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair value or cash flows of hedged items.

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

The Group does not speculate in the trading of derivative instruments.

Derivatives are carried at fair value and categorised as level 2 in the fair value hierarchy under AASB 13 where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly".

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13. Contributed Equity

	2022		2021	
	No. of shares	\$'000	No. of shares	\$'000
(a) Issued and paid up capital				
Beginning and end of the financial year	427,774,207	310,327	427,774,207	310,327

All issued shares are fully paid. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) 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. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and impacts on the Group's budgets and forecasts. The Group monitors capital on the basis of the balance sheet gearing ratio. This ratio is calculated as net debt divided by total equity as disclosed in note 12(b).

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Section D: Other Disclosures

This section provides additional financial information that is required by the Australian Accounting Standards and management considers relevant for shareholders.

14. Leases

Group as a lessee

The Group has commercial leases on certain plant and equipment, motor vehicles and property. These lease contracts have typically fixed terms of 1 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The impact of leases on the financial statements for the period is as follows:

	2022 \$'000	2021 \$'000
Statement of Comprehensive Income		
Depreciation expense of right-of-use assets	(17,876)	(15,667)
Interest expense on lease liabilities	(1,370)	(1,235)
Interest income on sublease of right-of-use assets	9	59
Gains or (losses) on termination of leases	(24)	64
Rent expense – short-term leases and leases of low value assets	(187)	(436)
Total amounts recognised in profit or loss	(19,448)	(17,215)
Statement of Cash Flows		
Net cash flows from operating activities	19,848	14,938
Net cash flows from financing activities	(19,848)	(14,938)

Statement of Financial Position	Right-of-use Assets				Total \$'000	Lease Receivables \$'000	Lease Liabilities \$'000
	Rental Equipment \$'000	Motor Vehicles \$'000	Other Equipment \$'000	Land & Buildings \$'000			
Year ended 30 June 2022							
Opening carrying amount	18,015	4,747	12	2,845	25,619	437	24,216
Additions	22,156	1,236	37	5,970	29,399	440	27,444
Terminations	(711)	(46)	–	(171)	(928)	–	(903)
Depreciation expense	(11,311)	(2,425)	(37)	(4,103)	(17,876)	–	–
Impairment expense	–	–	–	–	–	–	–
Receipts / payments	–	–	–	–	–	(877)	(20,725)
Closed carrying amount	28,149	3,512	12	4,541	36,214	–	30,032
Year ended 30 June 2021							
Opening carrying amount	10,436	5,637	70	6,645	22,788	1,613	23,123
Additions	16,063	1,649	–	1,017	18,729	–	17,503
Terminations	–	(39)	(5)	(187)	(231)	–	(295)
Depreciation expense	(8,484)	(2,500)	(53)	(4,630)	(15,667)	–	–
Impairment expense	–	–	–	–	–	–	–
Receipts / payments	–	–	–	–	–	(1,176)	(16,114)
Closed carrying amount	18,015	4,747	12	2,845	25,619	437	24,216

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Recognition and measurement

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use. The right-of-use asset is depreciated over the lease term on a straight-line basis. The lease payment is allocated between the lease liability and interest expense. The interest expense is charged to profit or loss over the lease term.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any initial direct costs; and
- restoration costs.

Lease liabilities are measured at the present value of lease payments to be made over the lease term discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The present value of lease payments include:

- fixed payments;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if reasonably certain to exercise the option; and
- payments of penalties for terminating the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Group as a lessor

The Group has several property, plant and equipment leases that were sub-let and classified as finance leases and recognised as Lease receivables. The sub-leases have terms of between 2 to 3 years.

The maturity analysis of lease receivables showing the undiscounted lease payments to be received after the reporting date is as follows:

	2022 \$'000	2021 \$'000
- within one year	-	443
- after one year but not more than five years	-	-
Total undiscounted lease receivable	-	443
- future finance income	-	(6)
Net lease receivable	-	437

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15. Subsidiaries

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	Country of incorporation	Equity interest	
		2022 %	2021 %
AKN Pty Ltd	Australia	100	100
Boom Logistics Constructions Pty Ltd*	Australia	100	100
Shutdown Staffing Pty Ltd	Australia	100	100
Boom Logistics (VIC) Pty Ltd	Australia	100	100
Boom Logistics Projects Pty Ltd	Australia	100	100
Boom Renewables Pty Ltd	Australia	100	100

*Boom Logistics Constructions Pty Ltd changed its name from Sherrin Hire Pty Ltd on 4 November 2021.

Boom Logistics Limited is the ultimate parent company.

Recognition and measurement

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

Subsidiaries are 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, investments in subsidiaries are carried at cost less impairments.

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

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

16. 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:

- Boom Logistics Constructions 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

The consolidated statements of comprehensive income and financial position of the entities that are members of the “Closed Group” are as follows:

	Closed Group	
	2022 \$'000	2021 \$'000
Consolidated Statement of Comprehensive Income		
Revenue	204,167	163,790
Other income	228	406
Salaries and employee benefits expense	(87,915)	(78,220)
Equipment service and supplies expense	(62,238)	(38,737)
Operating lease expense	(176)	(401)
Other expenses	(13,903)	(11,527)
Depreciation and amortisation expense	(15,971)	(15,507)
Depreciation expense – Right-of-use assets	(17,733)	(15,518)
Financing expense	(1,922)	(2,146)
Financing expense – Lease liabilities	(1,364)	(1,226)
Profit before income tax	3,173	914
Income tax benefit	41	27
Net profit for the year	3,214	941
Retained losses at the beginning of the year	(207,164)	(203,827)
Dividends provided for or paid	(6,417)	(4,278)
Retained losses at the end of the year	(210,367)	(207,164)
Net profit for the year	3,214	941
<i>Other comprehensive income / (loss)</i>		
Cash flow hedges recognised in equity	33	130
Other comprehensive income for the year, net of tax	33	130
Total comprehensive income for the year	3,247	1,071

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

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	Closed Group	
	2022 \$'000	2021 \$'000
Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	2,402	2,329
Trade receivables, contract assets and other receivables	39,506	40,896
Inventories, prepayments and other current assets	2,970	2,430
Lease receivables	-	437
Total current assets	44,878	46,092
Non-current assets		
Investments	599	599
Deferred tax asset	509	523
Property, plant and equipment	103,030	117,851
Right-of-use assets	36,126	25,540
Total non-current assets	140,264	144,513
Total assets	185,142	190,605
Current liabilities		
Trade and other payables	13,993	14,934
Interest bearing loans and borrowings	17,375	23,609
Lease liabilities	14,920	15,733
Employee provisions	9,453	8,628
Other provisions and liabilities	4,487	5,647
Derivative financial instruments	-	93
Income tax payable	185	2,224
Total current liabilities	60,413	70,868
Non-current liabilities		
Payables	3,212	1,899
Interest bearing loans and borrowings	-	361
Lease liabilities	15,031	8,407
Employee provisions	368	492
Other provisions and liabilities	3,023	2,214
Income tax payable	-	185
Total non-current liabilities	21,634	13,558
Total liabilities	82,047	84,426
Net assets	103,095	106,179
Equity		
Contributed equity	310,327	310,327
Retained losses	(210,367)	(207,164)
Reserves	3,135	3,016
Total equity	103,095	106,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

17. Parent Entity

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

	2022 \$'000	2021 \$'000
Statement of financial position		
Current assets	42,505	43,842
Total assets	229,681	234,581
Current liabilities	64,737	72,611
Total liabilities	115,746	116,475
<i>Equity</i>		
Contributed equity	310,327	310,327
Reserves	3,135	3,016
Retained losses	(199,527)	(195,237)
Total equity	113,935	118,106
Net profit / (loss) after tax for the year	2,127	(1,911)
Dividends provided for or paid	(6,417)	(4,278)
Total comprehensive income / (loss) for the year	2,160	(1,781)

18. Key Management Personnel

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

	2022 \$	2021 \$
Short-term employee benefits	1,811,113	1,609,809
Post employment benefits	136,269	121,751
Other long term benefits	20,996	60,903
Share based payments	389,720	245,208
Total compensation	2,358,098	2,037,671

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

Related party transactions

During the year, the Group entered into hire contracts with Grove (Aust) Pty Ltd and Grove Capital Pty Ltd for the provision of mobile cranes, transport and labour services. Mr. Stephen Grove is Executive Chairman and owner of Grove (Aust) Pty Ltd and Grove Capital Pty Ltd. The services performed totalled \$709,763 (2021: \$112,368) and were made on terms equivalent to those that prevailed in arm's length transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

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19. Share-based Payments

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

- Salary sacrifice rights plan;
- Short term incentive plan; and
- Long term incentive plan.

Information with respect to the number of rights and options allocated under the employee incentive schemes are as follows:

	Salary Sacrifice Rights Plan		Short Term Incentive Plan		Long Term Incentive Plan	
	Average fair value per right	No. of rights	Average fair value per right	No. of rights	Average exercise price per option	No. of options
At start of period	\$0.1309	3,179,047	\$0.1631	2,483,970	\$0.1522	29,229,782
Granted during the period	\$0.1665	885,966	\$0.1823	730,843	\$0.1790	16,572,510
Exercised during the period	\$0.18	(1,014,381)	\$0.1808	(1,034,198)	–	–
Lapsed during the period	–	–	–	–	\$0.1450	(9,714,640)
Forfeited during the period	–	–	–	–	\$0.1537	(3,520,938)
At end of period	\$0.1237	3,050,632	\$0.1611	2,180,615	\$0.1678	32,566,714

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 commencing from the relevant grant dates. The rights to ordinary shares equivalent to the amount salary sacrificed in the period from the most recent grant date will be granted following the announcement of the full-year results.

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.

Long term incentive plan

Eligible executives will be granted options to acquire ordinary shares in the Company, subject to 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 Binomial 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 performance hurdles based on four independent measures comprising absolute earnings per share (“EPS”), return on capital employed, sales revenue growth and key safety performance metrics, which are measured at the end of the three year performance period. The Board of Directors retains a discretion to adjust the performance hurdles as required to ensure plan participants are neither advantaged nor disadvantaged by matters outside management’s control that materially affect the performance hurdles (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

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for the year ended 30 June 2022

Options granted have the following details and assumptions:

	2022	2021	2020
Grant date	6 December 2021	4 December 2020	29 November 2019
Vesting date	31 August 2024	31 August 2023	31 August 2022
Expiry date	30 September 2024	30 September 2023	30 September 2022
Share price at grant date	\$0.180	\$0.155	\$0.145
Fair value at grant date	\$0.040	\$0.040	\$0.045
Exercise price	\$0.179	\$0.159	\$0.145
Expected life	2.8 years	2.8 years	2.8 years
Expected price volatility of Boom's shares	47%	47%	47%
Risk-free interest rate	0.85%	0.12%	0.65%
Expected dividend yield	5.40%	3.20%	0%

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(a) Carrying values

	2022 \$'000	2021 \$'000
Salary Sacrifice Rights Plan	1,003	907
Short Term Incentive Plan	989	856
Long Term Incentive Plan	1,143	1,286
Total employee equity benefits reserve	3,135	3,049

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the financial year are as follows:

	Note	2022 \$'000	2021 \$'000
Rights issued under employee rights plans		229	212
Options issued under employee option plan		(143)	167
	9	86	379

(c) Legacy employee incentive schemes

Two existing legacy employee incentive schemes were wound up on 31 August 2021 and proceeds from the sale of shares were remitted to the beneficiaries.

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for the year ended 30 June 2022

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(d) 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:

	2022 Number of shares	2021 Number of shares
At start of period	1,717,953	1,480,089
- issued for nil consideration (including unallocated shares in the employee share schemes allocated during the year)	-	960,321
- sold / transferred during the year	(1,717,953)	(722,457)
At end of period	-	1,717,953

At 30 June 2022, the employee share plans also hold 4,645,198 ordinary shares (2021: 6,693,777) that are un-allocated to employees.

Recognition and measurement

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.

In valuing equity settled transactions, the performance conditions are all non-market measures and as such, are not taken into account in determining the fair values of the options.

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).

No expense is recognised for awards that do not ultimately vest.

20. Commitments

(a) Capital commitments

Capital expenditure contracted for at reporting date but not recognised in the financial statements are as follows:

	2022 \$'000	2021 \$'000
<i>Property, plant and equipment</i>		
- within one year	4,158	12,304

The assets will be delivered progressively over the next 12 months.

21. Contingencies

Contingent liabilities

Bank guarantees totalling \$1.343 million (2021: \$2.532 million) have been provided to landlords and work cover authority. There are no other contingent liabilities identified at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

22. Auditor's Remuneration

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

	2022 \$	2021 \$
<i>Audit and review services</i>		
- audit and review of financial statements	345,690	306,878
<i>Assurance services</i>		
- other assurance services	36,225	-
<i>Other services</i>		
- taxation services	17,336	21,602
- other services	-	2,484
Total other services	17,336	24,086
Total remuneration of KPMG Australia	399,251	330,964

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23. Subsequent Events

The Directors are not aware of any other matter or circumstance that has arisen since 30 June 2022 that has significantly affected or may significantly affect the operations of the Group in subsequent financial years, the results of those operations or the state of affairs of the Group in future financial years.

24. New Accounting Policies and Standards

(a) Changes in accounting policies

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year, with no new accounting standards impacting the Group during the period.

(b) New accounting standards and interpretations not yet adopted

There were no new standards, amendments to standards and interpretations not yet adopted that impacted the Group in the period of initial application.