



BOON
LOGISTICS
LIMITED

2004

annual report

Corporate Directory

Directors

John Robinson
Roderick G Harmon
Terrance A Hebiton
Douglas E Williams
Fiona Bennett
Dr. Huw G Davies

Company Secretary

Mark Lawrence

Registered Office

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

Internet Address

www.boomlogistics.com.au

Legal Advisers

Phillips Fox

Auditors

PKF Chartered Accountants

Share Register

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

Annual General Meeting
Friday, 15 October 2004
@ 10.00am
The Somerset Botanic Gardens
348 St Kilda Road,
Melbourne, Victoria

Contents

I/FC	Corporate Directory
2	Chairman's Overview
4	Chief Executive Officer's Report
6	Financial Highlights
7	Executive Summary
8	Key Achievements for the year
9	Operational Review
11	Corporate Governance
17	Directors' Report
21	Financials
53	Additional Stock Exchange Information

Chairman's Overview



I am pleased to report that good progress has been made by Boom Logistics Limited in its first year as an ASX listed company. At the time of the Initial Public Offering, in October 2003, the Company's management was faced with the challenge of integrating five newly acquired businesses into Boom. Their geographic dispersion, with two in Victoria, one in Western Australia, one in New South Wales and another in Queensland added to the task.

The success of this business integration has been demonstrated by a financial performance that has comfortably exceeded the Prospectus forecast, allowing some increase in dividend payments to shareholders. The Company will pay a fully franked final dividend of 3.9 cents per share on 22 September 2004 to those holding shares on 25 August 2004, bringing total dividends for the year to a fully franked 5.1 cents per share, representing a payout of 50% of after tax profit.

Looking to the year ahead, there are good opportunities to build on the success to date, with scope for organic growth and new business acquisitions. During the last year the Company invested some \$5.6 million in crane purchases to extract maximum benefit from Boom's national presence and the internal growth opportunities that this presents. This process is expected to continue as the Company further develops its market. In the case of acquisitions, the Company will actively pursue opportunities where there are attractive business synergies.

Corporate governance has been a particular point of focus in recent times and during the year the Board has directed attention to meeting the governance principles stated in the ASX Corporate Governance Council's March 2003 guidelines. The results of this review are contained in the various governance policies and statements available on the Company's website at www.boomlogistics.com and shareholders are encouraged to access this source of Company information.

The progress made during the last year and the solid base that has been built for further growth is a tribute to the Company's talented management and workforce. At year end, Boom's workforce was close to 400 and the efficient integration of personnel from a number of different interstate businesses into a cohesive unit has been a major factor underpinning the Company's success.

Given the past year's success, the resources available to the Company and the positive economic outlook, there is good cause to be optimistic about the future.

A handwritten signature in black ink, appearing to read 'John Robinson'. The signature is stylized and fluid, with a large initial 'J' and 'R'.

John Robinson
Chairman



Providers of Lifting Solutions to Australia



Chief Executive Officer's Report



This year we achieved a number of significant milestones in establishing Boom Logistics Limited as the premier national lifting solutions provider to Australian industry.

Much of the work undertaken centred on the public listing of the company in October 2003, and the successful integration of five acquisitions made at that time. Whilst challenging, the success of this process can be measured by the excellent outcomes achieved against the objectives that were set at the start of the year and were incorporated into our prospectus.

Financial Result

Our full year revenue of \$83.8m was 15% above the prospectus forecast of \$73.1m. This was driven by stronger than expected demand across all sectors of our market. Underpinning this performance was the focus on quality customer service and the strategic focus on maintaining the diversity of our customer base with the specific emphasis on the maintenance and engineering construction sectors which now represents 77% of our revenue base.

Our full year after tax profit of \$9.4m was 6% above our prospectus forecast of \$8.9m. The actual profit margin of 11% was slightly lower than the prospectus forecast of 12%. This was primarily due to the higher than expected demand for services in the last quarter resulting in an increase in third party cross hire at lower margins.

The Balance Sheet remains in good shape with a gearing level of 63%, well within our current guidelines. Interest cover remains conservative at 6.9 times.

Post the October 2003 public listing, additional cranes totaling \$5.6m were acquired to meet increased demand and further enhance shareholders returns.

The final dividend of 3.9 cents per share brings the full year payout to 5.1 cents per share, fully franked. This exceeds our prospectus forecast of 4.8 cents and is in line with the company's profit after tax payout ratio of 50%.

“Boom Logistics leads the way in the provision of lifting solutions to Australia’s growing industrial, construction and resources sectors. Our increasing position in the market is driven by committed people dedicated to providing the highest standard of innovative and comprehensive lifting solutions”

CEO Rod Harmon

Operational Result

The successful integration of the six acquisitions during 2003-04 in NSW, Qld, Vic and WA has delivered a better than expected result and established Boom Logistics as a national provider of lifting solutions.

Our strategic focus continues to centre on the themes of quality service, scale of fleet, capability of our people and the diversity of our customer base. We maintain a specific focus on the maintenance and engineering construction sectors, and a selective focus on the construction sector. Our ability to offer corporate clients a total quality lifting solution is a major differentiator of our brand and service offer and now forms the foundation for ongoing growth. We will continue to pursue acquisition opportunities to enhance our strategic position and to support ongoing EPS growth.

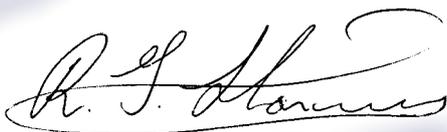
In our first year as an ASX publicly listed company we have delivered numerous positive outcomes to our shareholders. They are as follows:

- An excellent financial result.
- A 30% improvement in our safety performance.
- Successful integration of six businesses.
- Establishment of a national footprint.
- Improved brand recognition through our branding program.
- Enhanced market offer with the bundling of lifting services.
- Establishment of robust corporate governance processes.
- A 91% increase in the share price from an initial public offer price of \$0.80 in October 2003 to \$1.53 as at 30 June 2004.

These outcomes have provided me with the confidence that Boom Logistics is well positioned to continue to take advantage of future organic and acquisitive growth opportunities.

Underpinning this result has been the commitment of our people. Through their dedication, professionalism and effort will flow the ongoing success of our business. As we continue to grow, our commitment to the values of our company and the delivery of excellence will ensure continued success and delivery of value to all stakeholders.

On behalf of myself and the management team I would like to thank all employees and shareholders for their support during our first year as an ASX publicly listed company.



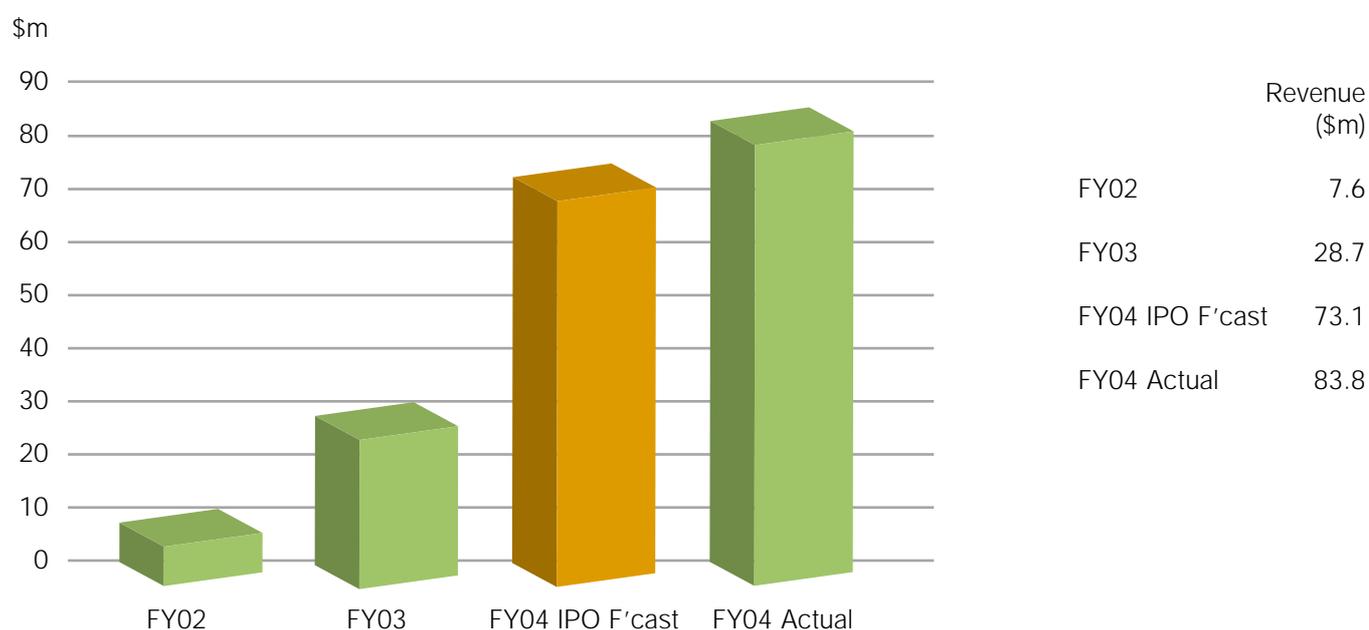
Rod Harmon
Chief Executive Officer



Financial Highlights

\$m	2004 Actual	2004 IPO F'cast	% change	2003 Actual	% change
Financial performance					
Operating Revenue	83.8	73.1	15%	28.7	192%
EBITDA	20.0	18.6	8%	6.7	199%
EBIT	15.6	14.8	5%	5.1	206%
Net Profit After Tax	9.4	8.9	6%	2.6	265%
NOPAT %	11.2%	12.2%	-1%	9.0%	2%
Financial ratios					
Earnings per share (cents)	11.8	10.9	8%	5.9	100%
Dividend per share (cents)	5.1	4.8	6%	n/a	n/a
Return on average shareholder funds	26%	25%	1%	24%	2%
Interest Cover (times)	6.9	7.0	-1%	3.5	97%
Debt Cover (times)	2.3	2.4	-4%	1.6	44%
Net debt/ equity	63%	51%	12%	187%	-124%

Revenue (\$m)



Executive Summary

Background

BOOM Logistics, which can trace its origins back to 1977, listed on the ASX in October 2003 to capitalise on organic and consolidation opportunities within the crane industry. The Company identified the need for superior service from a nationally focussed operator. BOOM operates as a national lifting solutions provider and has a market share of around 10% of the Australian crane hire market.

Services

The Company provides a full range of lifting services including:

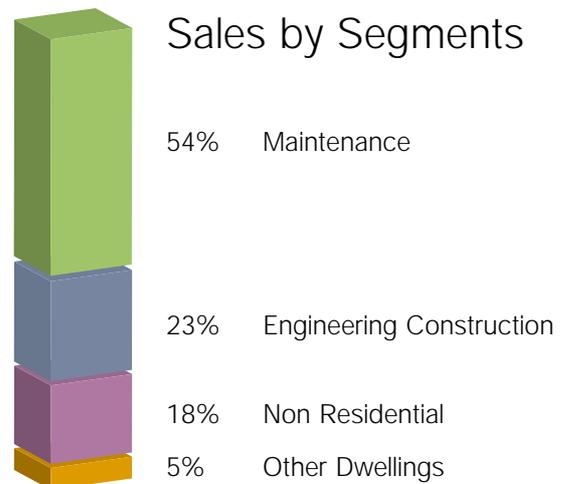
- ▲ Managed Lifting Solutions
- ▲ Contractual Maintenance Arrangements
- ▲ Crane Integration for Commercial Constructions
- ▲ Engineering Services and Maintenance
- ▲ Equipment Hire
- ▲ Logistics and Transport



Business profile

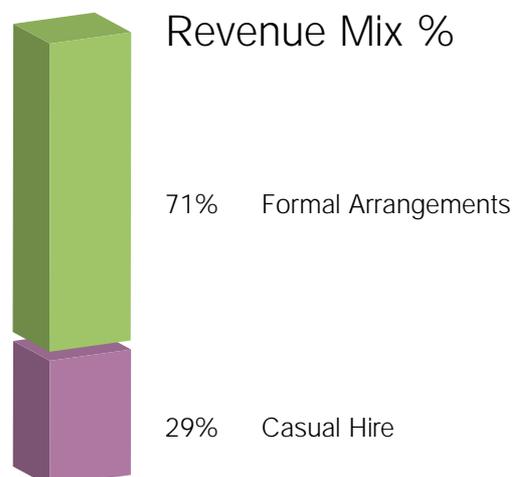
BOOM:

- ▲ Has operations in VIC, NSW, QLD, and WA
- ▲ Headquartered in Melbourne
- ▲ Employs 398 staff
- ▲ 263 Cranes ranging from 5 - 400 tonne
- ▲ Services the following sectors:
 - Maintenance
 - Engineering
 - Non-residential
 - Other dwellings



Competitive Strengths

- ▲ Ability to utilise its product range nationally
- ▲ Large and flexible fleet to meet a wide range of lifting requirements for its customers
- ▲ Depth of industry experience and knowledge
- ▲ Firm commitment to quality and delivery of service excellence
- ▲ Capability to provide innovative lifting solutions
- ▲ Financial capacity to secure national contracts and to access organic and acquisitive growth opportunities
- ▲ Focus on safety regulation, management and compliance
- ▲ Proven business integration expertise



Key Achievements for the year

July 2003

- ▲ Acquisition of:
 - Brambles Cranes Kalgoorlie, WA

October 2003

- ▲ Acquisition of:
 - Holts Crane Hire & Heavy Haulage, QLD
 - Brambles Cranes, Port Kembla, NSW
 - Conmor Cranes, Braeside, VIC
 - Heavy Lift Cranes, La Trobe Valley, VIC
 - Purcell Cranes, Port Hedland, WA
- ▲ Boom Logistics becomes a national lifting solutions provider.
- ▲ Successful raising of \$21m new capital and ASX listing of Boom Logistics Limited.



December 2003

- ▲ Exceeded the half year financial forecast.



January 2004

- ▲ Appointed as a major supplier of crane and heavy haulage services to the Sydney M7 Orbital motorway project.



June 2004

- ▲ Revenue of \$83.8m exceeded the IPO forecast of \$73.1m by 15% or \$10.7m
- ▲ NOPAT of \$9.4m exceeded the IPO forecast of \$8.9m by 6% or \$0.5m
- ▲ Safety performance improvement of 30%; achieving a 12 month rolling average Lost Time Injury Rate of 10.28.
- ▲ All acquisitions were successfully integrated into the Boom business bringing our total national fleet capacity to 263 cranes ranging from 5 tonnes to 400 tonnes capacity.



Operational Review

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

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

The BOOM strategic plan focuses on:

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

Our People

This financial year Boom Logistics has successfully integrated six businesses, bringing together an experienced and highly skilled workforce of 398 personnel including:

- ▲ Operators
- ▲ Riggers and Dogmen
- ▲ Fitters and Fabricators
- ▲ Supervisors and Management.

During the financial year we worked towards the establishment of a single identity. This work has been supported by our re-branding and internal communication programs, and the deployment of our company charter to all employees.

We have enhanced our management capability through the business acquisitions and through external recruitment to provide the required skills to deliver our long term growth objectives.

Occupational Health, Safety, Environment & Quality

Our objective is to strive for excellence in managing OHSE&Q risk to achieve a zero injury rate.

We are committed to the health and safety of our employees, contractors and clients.

This year we achieved a 30% reduction in our Lost Time Injury Frequency Rate through the following initiatives:

- Establishment of a Board OHSE&Q Committee to overview and monitor the performance of the business.
- Maintenance of an OHSE&Q Management System in accordance with ISO 9001-2000, ISO 14001-1996, and AS 4801-2001.
- National implementation of the industry Crane Safe Program that incorporates an external and independent audit of our cranes.
- Ongoing education and training of our internal safety professionals led by our National Safety, Quality and Risk Manager.
- Completion of an operational risk assessment of all operations.
- Development of a crisis response plan.

We aim to be the industry leader in safety management.

Customer Service

Boom Logistics' focus on customer service is paramount and the quality of this service is underpinned by our ability to provide total lifting solutions to our customers.

Our organisation is focused on the development of technically superior, safe and innovative solutions for our customers, and the enhancement of our service and value proposition through the provision of ancillary services and access to our national capability.

We have continued to invest in our fleet with the addition of 14 cranes during the past year, bringing our total national fleet capacity to 263 cranes ranging from 5 tonne to 400 tonne capacity.

Divisional Overview

Headquartered in Melbourne, Boom Logistics has major operations in Western Australia, Victoria, New South Wales and Queensland led by General Managers for each state.

Western Australia

The strong Western Australian economy over this financial year underpinned a high level of crane activity, particularly within the resources and manufacturing sectors. We expect that this will continue into the next

financial year. We are well placed to benefit from this ongoing activity with depots in Bunbury, Kwinana, Metro Perth, Kalgoorlie and Port Hedland.

Victoria

Our Tower Crane division is headquartered in Melbourne, primarily servicing the local construction industry but with the capability to also operate interstate. We also have a Mobile Crane division with depots in Melbourne and the Latrobe Valley.

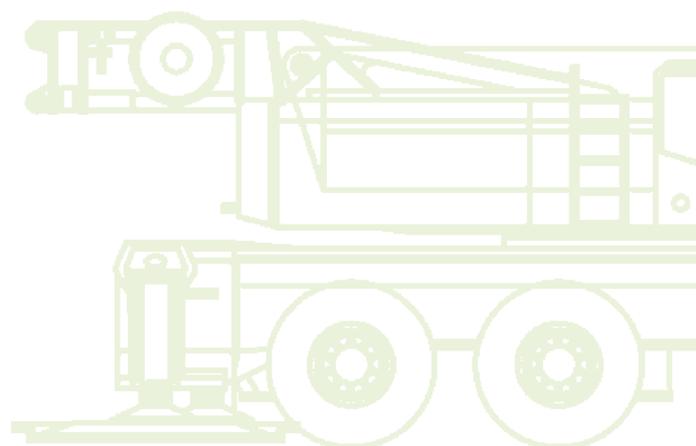
Throughout the year we have benefited from the strong demand in the high rise commercial construction sector underpinned by our power generation, petrochemical and manufacturing customer base. We expect that demand will continue at similar levels into next year.

New South Wales

Our depot is based in Port Kembla servicing the Blue Scope Steelworks and the industrial areas of the Illawara and South Sydney regions. Demand throughout the year was strong and we expect this to continue into the next financial year.

Queensland

The Queensland operations have a heavy haulage, mobile crane and project logistics capability servicing the South East and Western Queensland regions. We have benefited from the award of a contract for servicing construction of the M7 Orbital road project in Sydney underpinned by the strong demand from our core industrial client base. We expect that this will continue into the next financial year. We have depots based throughout Brisbane and in Toowoomba.



Corporate Governance

Board of Directors



R John Robinson*,
BSc, MG Sc, F Aus IMM (60)

Non-Executive Chairman
APPOINTED DATE 15 NOVEMBER 2002

Mr Robinson was formerly CEO and Managing Director of Ashton Mining Limited.

He is currently a Non-Executive Director of Perseverance Corporation Limited and PSI Limited.

He is also Chairman of Prince Henry's Institute of Medical Research and Monash Health Research Precinct Limited.



Roderick Glynn Harmon
B.App.Sc (46)

Chief Executive Officer/ Director
APPOINTED DATE 29 APRIL 2002

Mr Harmon was with BHP Billiton Limited for eleven years in various executive positions within BHP's Steel, Collieries, Transport and Logistics businesses as well as holding various directorships.



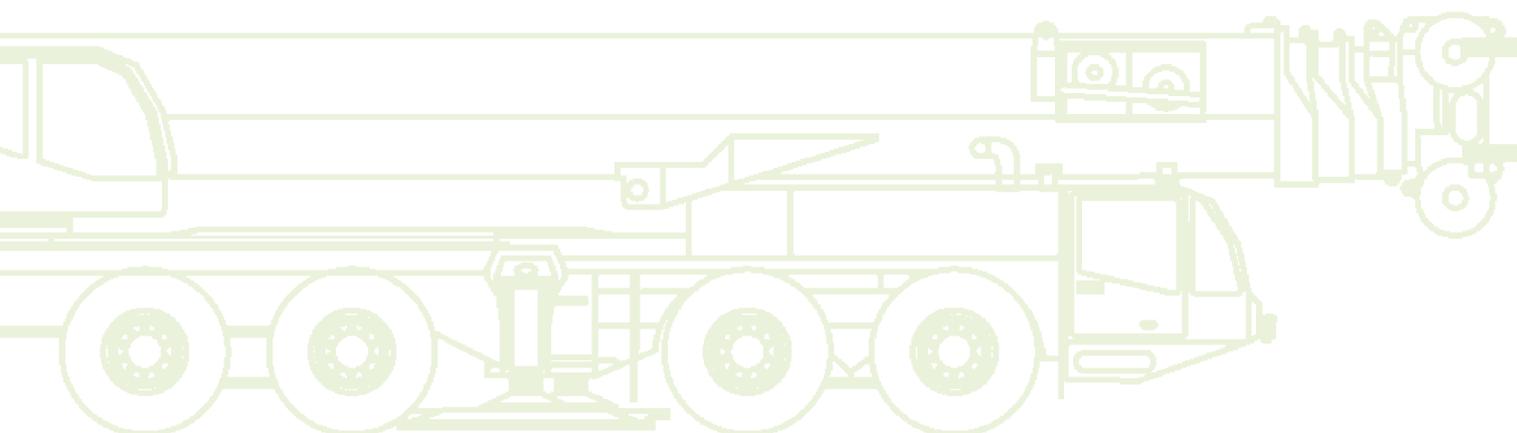
Dr Huw G Davies*,
BSc (Hons), PhD (Geology) (63)

Non -Executive Director
APPOINTED DATE 15 NOVEMBER 2002

Dr Davies was previously Group Chief Executive and a Director of BTR Nylex Limited.

He was responsible for polymer, glass, textiles, resources and commercial interiors, and has extensive local and international experience in contractual negotiations.

He is currently Chair of the SECV Executive Committee, (and Administrator of the SECV) and a Director of Snowy Hydro Limited.





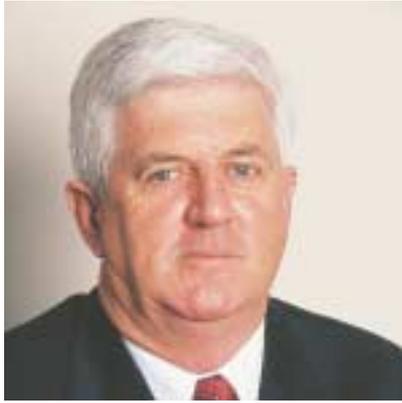
**Fiona Bennett*, BA (Hons),
FCA, FAIM (48)**

Non-Executive Director
APPOINTED DATE 15 NOVEMBER 2002

Ms Bennett formerly held several executive roles at BHP Billiton Limited, the most recent as Vice President of Corporate Services.

Ms Bennett is a Chartered Accountant with over 25 years experience in finance, business management, audit and risk management.

She is currently Chief Financial Officer of the Australian Red Cross Blood Service and is also a Director of the International Diabetes Institute and Bayside Health.



**Terrance Alexander (Jack)
Hebiton (53)**

Non-Executive Director
APPOINTED DATE 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 1990's, Mr Hebiton was Managing Director of Hazdon Holdings Pty Ltd.

He is currently a director of a number of private companies and was a principal of Alpha Crane Hire, one of the founding entities of Boom Logistics.



Douglas Edwin Williams (62)

Non-Executive Director
APPOINTED DATE 12 FEBRUARY 2002

Mr Williams was Managing Director of Sutville Pty Ltd and had been associated with it since its formation in 1978.

Through steady growth and focus on the hire/ sale of tower cranes to the building and civil engineering sectors, Sutville enjoyed a pre-eminent status in the crane industry. Sutville was one of the founding entities of Boom Logistics.

* Mr Robinson, Dr Davies and Ms Bennett are independent Directors as detailed in Box 2.1 of the March 2003 ASX Corporate Governance Councils "Principles of Good Corporate Governance and Best Practice Recommendations."

Senior Management

Rod Harmon
Chief Executive Officer

Mark Lawrence
Chief Financial Officer & Company Secretary

Frank Legena
National Manager Quality,
Safety & Risk

Drew Baker
General Manager Tower Cranes

Brian Praetz
General Manager WA

Brenton Salleh
General Manager VIC/NSW

Alex Pagonis
General Manager QLD

Les Holt
National Projects Manager

Corporate Governance

Following the ASX listing of the company, the Board has adopted the ASX Principles of Good Corporate Governance and Best Practice Recommendations (introduced on 23 March 2003). It is recognised, however, that the current Board composition falls short of Best Practice Recommendations in terms of Independent Director Representation. The circumstances are detailed under the heading of Board Composition in the summary of corporate practices applied by the company, as set out below:

Board of Directors

Responsibilities

The Company's Board of Directors is responsible for protecting the rights and serving the interests of all shareholders of the Company through a process of policy setting and performance monitoring. The Board's responsibilities are set out in a Board Charter and include the following:

- ▲ Guiding and approving strategic direction and business planning for the Company.
- ▲ Monitoring business performance against benchmarks agreed with management.
- ▲ Overseeing the processes for ensuring the effectiveness of internal controls and monitoring the processes for identifying, assessing, and managing business risk.
- ▲ Appointing, removing and monitoring the performance of the Chief Executive.
- ▲ Approving and monitoring major capital expenditure, capital management and business development opportunities.
- ▲ Ensuring that the Company complies with its responsibilities under the Corporations Act, ASX Listing Rules, the Company's Constitution and all other relevant laws and regulations.
- ▲ Setting and reviewing Chief Executive Officer Limits of Authority to assist in defining the interface between Board and Management.

Some of these functions are referred to Board committees with recommendations made back to the full Board of Directors.

Delegation

The Board delegates responsibility for implementing the strategic direction and for managing the day-to-day

operations of the consolidated entity to the Chief Executive Officer. There are clear lines of communication established between the Chairman and Chief Executive Officer to ensure that the responsibilities and accountabilities of each are clearly understood.

The Board manages delegation to senior management by setting specific limits of authority for management to commit to new expenditure and capital management.

Board Composition

The Board currently has six Directors comprising the Managing Director and, five non-executive Directors; three of these are independent (including the Chairman).

It is recognised that the current Board's independent director representation falls short of the majority recommendation under the Best Practice guidelines, although in terms of size, skills and experience the current Board is able to fully discharge its responsibilities to shareholders. The current representation in part reflects the business amalgamation that led to the recent formation of the company. It is intended, however, to appoint an additional Independent Director, subject to the passing of a resolution at the company's next Annual General Meeting of Shareholders to increase aggregate director's remuneration to accommodate such an appointment.

The composition of the Board is determined in accordance with the following general principles:

- ▲ The Board shall comprise at least three but not more than nine directors.
- ▲ The Board shall comprise directors with a broad mix of business expertise and experience.
- ▲ The Chairman is an independent non-executive director.
- ▲ The majority of directors are non-executive and there shall be a majority of Independent Directors (refer above).
- ▲ Directors are considered independent subject to meeting the definition as set out in Box 2.1 of Principle 2 in the ASX Corporate Governance Council "Principles of Good Corporate Governance and Best Practice Recommendations" dated March 2003.
- ▲ The Board composition, its performance and the appointment of new directors is reviewed periodically by the Board, taking advice from the

Corporate Governance

Nomination & Remuneration Committee and external advisors as appropriate. It should be noted that no formal review of Board performance has been conducted during the period under review, recognising that the Company has only operated as a publicly listed entity since October 2003.

The company's Constitution stipulates that at each Annual General Meeting of the Company 1/3 of the directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding 1/3, retire from office but no director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than 1/3 of the directors retiring from office.

In compliance with the Constitution, Mr. Hebiton will retire by rotation, and being eligible, will stand for re-election at the Annual General Meeting.

Corporate Governance

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

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

Corporations Act as well as access to the company's Board papers on terms agreed between the company and the Board.

- ▲ The Board sets the membership and terms of reference for each Board Committee.
- ▲ Board Committees make recommendations to the Board, they are not delegated responsibility except as specifically authorised by the Board.

Directors' Shareholdings in the company

There is no obligation under the Constitution for Directors to hold shares in the company, although all presently do. Details of Directors' shareholdings are shown in the Directors' Report on page 17.

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

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

Board Committees

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

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

Audit & Compliance Committee

The committee comprises three non-executive directors. The external audit partner of PKF Chartered Accountants, Chief Executive Officer and the Chief Financial Officer attend these meetings by invitation. The current members are:

Ms. Fiona Bennett - Chairman
Dr. Huw Davies
Mr. Jack Hebiton



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

- ▲ Assessment and monitoring of internal control adequacy.
- ▲ Monitoring the activities and effectiveness of the internal audit function
- ▲ Overseeing and monitoring integrity of financial reporting.
- ▲ Review draft annual and half-yearly financial statements with management and external auditors and make recommendations to the full Board.
- ▲ Review and monitor the company's compliance with law and ASX Listing Rules.
- ▲ Review performance against the company's Code of Conduct.
- ▲ Report regularly to the Board on its activities and findings.
- ▲ Other responsibilities as required by the Board or considered appropriate.

Nomination and Remuneration Committee

The committee comprises three non-executive directors. The current members are:

- ▲ Mr. John Robinson - Chairman
- ▲ Dr. Huw Davies
- ▲ Ms. Fiona Bennett

The responsibilities of the Nomination and Remuneration Committee include:

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

and share plans that reward individual and team performance.

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

Occupational Health, Safety, Environment and Quality Committee

The committee comprises three non-executive directors. The Chief Executive Officer, the Chief Financial Officer and the National Manager Quality, Safety & Risk attend these meetings by invitation. The current members are:

- ▲ Mr. John Robinson - Chairman
- ▲ Mr. Jack Hebiton
- ▲ Mr. Doug Williams

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

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

Code of Conduct and Company Policies

Under the Code of Conduct:

- ▲ The company will act with fairness, integrity and good faith in its dealings with its employees, customers, subcontractors, shareholders and other stakeholders.
- ▲ The company will strive for/ or drive towards best practice in its internal business controls, financial administration and accounting policies.

- ▲ The company has in place policies to ensure it meets continuous disclosure requirements of the ASX.
- ▲ Directors and employees are bound by strict rules in the trading of company shares.
- ▲ The company is committed to continuous improvement of workplace safety with the ultimate objective of no injuries to anyone, anytime.
- ▲ The company will continually develop its client relationships to provide outstanding service.
- ▲ The company has, and will keep in place, employment practices and policies that accord with best practice including those in respect of occupational, health and safety, anti-discrimination and conflict of interest.

- ▲ The company recognises its place in the community and has in place policies and practices to protect the environment and to support selected community activities and projects in the areas in which it operates.
- ▲ The company will be transparent in its reporting, including in respect of Board and executive remuneration.
- ▲ The company recognises its obligations to individuals' rights to privacy in respect of confidential information.
- ▲ The company is committed to compliance with the law in all its operations.
- ▲ The company will enforce and monitor compliance with the Code of Conduct through employment contracts, internal communication and education as well as by periodic internal audit.

Website

Visit our website at www.boomlogistics.com.au for more details of our corporate governance and other policies.



Director's Report

Directors

John Robinson
Fiona Bennett
Dr. Huw G Davies
Roderick Glynn Harmon
Terrance Alexander Hebiton
Douglas Edwin Williams

Company Secretary

Mark Lawrence

All of the above officers of the company were in office for the full financial year and at the date of this report.

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 and options of Boom Logistics Limited were:

Name	Ordinary Shares**	Options
J. Robinson	100,000	-
R.G. Harmon	1,658,571	-
T.A. Hebiton	2,207,722	2,015,000*
D.E. Williams	13,122,155	-
F. Bennett	50,000	-
H.G. Davies	80,000	-

* Refer to Note 19(c) in the financial statements for further details of the options issued.

** These ordinary shares are held either directly or indirectly by the Directors. These holdings do not include ordinary shares held by their personally-related entities.

Directors Meetings

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

Name of Director	Board of Directors		Audit & Compliance Committee		Nomination & Remuneration Committee		Occupational, Health, Safety, Environment & Quality Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J. Robinson	13	13	-	-	1	1	2	2
R.G. Harmon	13	13	-	-	-	-	-	-
T.A. Hebiton	13	13	4	4	-	-	2	2
D.E. Williams	13	12	-	-	-	-	2	1
F. Bennett	13	13	4	4	1	1	-	-
H.G. Davies	13	12	4	4	1	1	-	-

Indemnification of Directors and Officers

The company has entered into Deeds of Access, Indemnity and Insurance with each of the directors and the company secretary, under which the company indemnifies, to the extent not precluded by law from doing so, those persons against any liability they incur in or arising out of discharging their duties.

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

Directors' and Officers' Remuneration

The Nomination and Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors, the Chief Executive Officer and the Executive Team. The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to external advice on relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Executive officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company. Further details on the remuneration of directors and executives are also provided in Note 28 to the financial statements.

Details of the nature and amount of each element of the emolument of each director of the company and each of the five executive officers of the company and consolidated entity receiving the highest emolument for the financial year are as follows:

Directors

Name	Salary & Fees	Bonus	Non Monetary benefit	Super	Other	Total Emolument
	\$	\$	\$	\$	\$	\$
J. Robinson	70,000	-	-	6,300	-	76,300
R.G. Harmon	310,919	9,138	89	24,188	1,326,857	1,671,191
T.A. Hebiton	31,250	-	-	2,813	-	34,063
D.E. Williams	91,317	20,000	3,834	5,611	-	48,096
F. Bennett	31,250	-	-	2,813	-	34,063
H.G. Davies	31,250	-	-	2,813	-	34,063

Executive Officers

Name	Salary & Fees	Bonus	Non Monetary benefit	Super	Other	Total Emolument
	\$	\$	\$	\$	\$	\$
M. Lawrence	183,464	9,972	213	15,750	120,000	329,399
D. Baker	159,125	28,600	849	13,680	120,000	316,203
B. Praetz	171,112	10,961	-	14,130	120,000	322,254
F. Legena	143,919	10,354	4,931	12,707	-	171,911
L. Holt*	127,341	-	5,604	10,500	-	143,445

* L. Holt commenced employment with Boom Logistics Limited on 7 October 2003.

Notes: Bonus payments are made under the Company's Short Term Incentive Plan and form part of the "at risk" reward for executives. Bonus delivery is dependent upon meeting performance benchmarks as determined by the Board at the commencement of each financial year.

Payments in the "Other" category relate to the issue of 100,000 Boom Logistic shares to each employee nominated. This was structured as an incentive award conditional upon completion of a successful IPO.

Director's Report

Nature of Operations and Principal Activities

During the year, the principal activities of the consolidated entity consisted of the provision of lifting solutions, crane and heavy haulage services.

Review of Results and Operations

Profit after income tax expense of the consolidated entity for the year ended 30 June 2004, amounted to \$9,405,000. This represents a 265% increase on 2002-2003 of \$2,577,000. The company also generated \$11,238,000 in net operating cash flow for the year ended 30 June 2004

All business units performed well during the financial year as a result of strong client demand, particularly in the resources sector. The 6 businesses acquired were successfully integrated into the company.

Significant Changes in the State of Affairs

The significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- ▲ ASX public listing of the company on 14 October 2003; and
- ▲ Acquisition of 6 businesses to provide the company with a national presence and capability.

Events Subsequent to Reporting Date

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

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

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

Likely Future Developments and Expected Results

The directors foresee that the company will continue to benefit from further organic growth and acquisition initiatives during the 2004/05 financial year.

Further disclosures of information as to likely developments in the operations of the consolidated entity and expected results of those operations would be prejudicial to the interests of the consolidated entity. Accordingly, such information has not been included in this Report.

Environmental Regulation

The Board confirms that the company has adequate systems in place to manage and comply with environmental regulations as they apply to the company.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Boom Logistics Limited follow the ASX Corporate Governance Council's March 2003 "Principles of Good Corporate Governance and Best Practice Recommendations."

Rounding

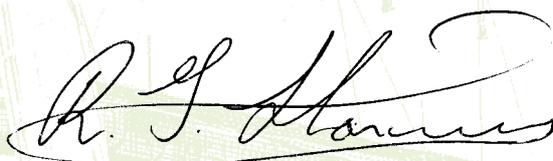
The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Director
John Robinson



Director
Roderick G. Harmon



Melbourne, 16 August 2004

Annual Financial Statements for the year ended 30 June 2004

Note	Description	Page
	Statement of Financial Performance	22
	Statement of Financial Position	23
	Statement of Cash Flows	24
1	Summary of Significant Accounting Policies	25-29
2	Revenue from Ordinary Activities	30
3	Expenses and Losses/(Gains)	30
4	Income Tax	30-31
5	Dividends Paid or Provided for on Ordinary Shares	31
6	Receivables Current	31
7	Inventories Current	32
8	Other Current Assets	32
9	Other Financial Assets Non Current	32
10	Interest In Subsidiaries	32
11	Property, Plant and Equipment	32-34
12	Intangibles	34
13	Payables Current	34
14	Interest Bearing Liabilities Current and Non Current	34-35
15	Provisions Current	35
16	Other Current Liabilities	35
17	Provisions Non Current	35
18	Other Non Current Liabilities	36
19	Contributed Equity	36-37
20	Retained Profits	37
21	Statement of Cash Flows	37-39
22	Expenditure Commitments	40
23	Employee Benefits and Commitments	40-41
24	Contingent Assets and Contingent Liabilities	41
25	Subsequent Events	41
26	Earnings Per Share	42
27	Auditors' Remuneration	42
28	Director and Executive Disclosures	43-47
29	Related Party Disclosures	47
30	Segment Information	47
31	Financial Instruments	48
32	Impact of Adopting AASB equivalents to IASB Standards	49
	Directors Declaration	50
	Independant Audit Report	51
	Additional Australian Stock Exchange Information	53

Statement of Financial Performance Year Ended 30 June 2004

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

Statement of Financial Position At 30 June 2004

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

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

Statement of Cash Flows Year Ended 30 June 2004

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

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

Notes to the Financial Statements for the Year Ended 30 June 2004

1. Summary of Significant Accounting Policies

(a) Basis of accounting

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

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

(b) Changes in accounting policies

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

(c) Principles of consolidation

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

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

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

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

(d) Cash and cash equivalents

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

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

(e) Receivables

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

(f) Recoverable amount

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

1. Summary of Significant Accounting Policies

(g) Plant and equipment

All items of plant and equipment are stated at cost.

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

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

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

(h) Leases

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

Operating leases

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

Finance leases

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

(i) Intangibles

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

(j) Payables

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

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

Notes to the Financial Statements for the Year Ended 30 June 2004

1. Summary of Significant Accounting Policies

(k) Interest bearing liabilities

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

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

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

(l) Provisions

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

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

(m) Contributed equity

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

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

(n) Revenue recognition

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

Rendering of services

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

Interest revenue

Control of the right to receive the interest receivable.

1. Summary of Significant Accounting Policies

(o) Taxes

Income taxes

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

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

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

Goods and services tax (GST)

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

- ▲ Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ▲ Receivables and payables are stated with the amount of GST included.

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

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

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

(p) Employee benefits

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

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

Notes to the Financial Statements for the Year Ended 30 June 2004

1. Summary of Significant Accounting Policies

(q) Earnings per share (EPS)

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

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

- ▲ costs of servicing equity (other than dividends) and preference share dividends;
- ▲ the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- ▲ other non discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

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

(r) Borrowing costs

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

(s) Comparatives

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

Notes to the Financial Statements for the Year Ended 30 June 2004

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

Notes to the Financial Statements for the Year Ended 30 June 2004

	CONSOLIDATED		PARENT	
Note	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000

4. Income Tax (continued)

Tax consolidation

Effective 8 October 2003, for the purposes of income taxation, Boom Logistics Limited and its 100% owned subsidiaries formed a tax consolidation group. The head entity of the tax consolidation group is Boom Logistics Limited.

There was no material effect on the future income tax benefit and the provision for deferred income tax liabilities as a result of the revised tax legislation. Boom Logistics Limited will formally notify the Australia Taxation Office of its adoption of the tax consolidation regime when lodging its 30 June 2004 consolidated tax return.

In accordance with UIG Abstract 52 "Income Tax Accounting under the Tax Consolidation System", the head entity of the tax consolidation group being Boom Logistics Limited has recognised deferred tax amounts in relation to its wholly owned subsidiaries, measured by reference to the carrying amounts of the subsidiaries' assets and liabilities as at the level of the tax consolidated group and their tax values applying under tax consolidation.

5. Dividends Paid Or Provided For On Ordinary Shares

(a) Dividends paid during the year

Fully franked interim dividends (1.2 cents per share)	1,108	-	1,108	-
---	-------	---	-------	---

(b) Dividends proposed and not recognised as a liability

Fully franked final dividends (3.9 cents per share)	3,601	-	3,601	-
---	-------	---	-------	---

(c) Franking credit balance

The amount of franking credits available for the subsequent financial year are:

- Franking account balance as at the end of the financial year at 30% (2003: 30%)			2,540	-
- Franking credits that will arise from the payment of income tax payable as at the end of the financial year			2,780	-
- Franking debits that will arise from the payment of dividends as at the end of the financial year			-	-
			5,320	-

The tax rate at which paid dividends have been franked is 30%. Dividends proposed will be franked at the rate of 30%.

6. Receivables (Current)

Trade debtors	18,692	5,931	14,131	5,931
Provision for doubtful debts	(131)	(16)	(33)	(16)
	18,561	5,915	14,098	5,915
Amounts other than trade receivable from wholly owned controlled entities	-	-	301	-
Total current receivables	18,561	5,915	14,399	5,915

Notes to the Financial Statements for the Year Ended 30 June 2004

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
7. Inventories (Current)					
Fuel at cost		78	21	36	21
Other inventory at net realisable value		46	-	-	-
Total current inventories		124	21	36	21
8. Other Current Assets					
Prepayments		1,550	354	1,321	354
Other		86	1,416	50	1,416
Total other current assets		1,636	1,770	1,371	1,770
9. Other Financial Assets (Non Current)					
Controlled entities - unlisted	10	-	-	19,846	-
Total non current other financial assets		-	-	19,846	-

10. Interests In Subsidiaries

Name	Country of incorporation	Percentage of equity interest held by the consolidated entity		Investment	
		2004 %	2003 %	2004 \$'000	2003 \$'000
Holt Industries Pty Ltd	Australia	100	-	15,896	-
Heavy Lift Cranes Australia Pty Ltd	Australia	100	-	3,950	-
Hilyte Australia Pty Ltd*	Australia	100	-	-	-
Total investment in subsidiaries				19,846	-

Nature of the entities acquired are predominately crane hire businesses. Refer to Note 21(e) for further acquisition details.

*Investment is held by Holt Industries Pty Ltd.

11. Property, Plant and Equipment

Leasehold improvements					
At cost		134	37	134	37
Accumulated depreciation		(10)	(1)	(10)	(1)
		124	36	124	36
Plant and equipment					
At cost		39,386	13,327	30,355	13,327
Accumulated depreciation		(2,961)	(851)	(2,409)	(851)
		36,425	12,476	27,946	12,476

Notes to the Financial Statements for the Year Ended 30 June 2004

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

(a) Assets pledged as security

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

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

The value of assets pledged as security are:

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

(b) Reconciliations

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

Leasehold improvements

Carrying amount at beginning	36		36	
Additions	85		85	
Disposals	-		-	
Additions through acquisition of entities/operations	12		12	
Depreciation expense	(9)		(9)	
Carrying amount at end	124		124	

Plant and equipment

Carrying amount at beginning	12,476		12,476	
Additions	3,171		2,981	
Disposals	(164)		(150)	
Additions through acquisition of entities/operations	23,090		14,235	
Depreciation expense	(2,148)		(1,596)	
Carrying amount at end	36,425		27,946	

Notes to the Financial Statements for the Year Ended 30 June 2004

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

Notes to the Financial Statements for the Year Ended 30 June 2004

		CONSOLIDATED		PARENT	
	Note	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
14. Interest Bearing Liabilities (continued)					
Non current - secured					
Lease liability	4(a),22(b)	23,063	14,488	16,355	14,488
Bank loans	14(b),22(b)	3,842	2,276	3,842	2,276
Total non current interest bearing liabilities		26,905	16,764	20,197	16,764

(a) Lease liability relates to hire purchase leases that have an average lease term of 5 years. The average discount rate implicit in the leases is 8.0% (2003: 7.8%). Lease liabilities are secured by a charge over the leased assets and first registered mortgage over the whole of Boom Logistics Limited and Heavy Lift Cranes Australia Pty Ltd assets and guarantee and indemnities provided by Boom Logistics Limited.

(b) Bank loans mainly represent chattel mortgages and are repayable monthly with an average term of 5 years. Interest is recognised at an average rate of 8.0% (2003: 7.8%). The bank loans are secured by first registered mortgage over the assets of the companies carrying the liabilities.

(c) Bills of exchange have an average maturity of 30 days with effective interest rates of 5.0% to 6.0% (2003: 5.0% to 6.0%).

(d) Other loans represent financing of the group insurance premium repayable over 11 months with an effective interest rate of 4.5%.

15. Provisions (Current)

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

16. Other Current Liabilities

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

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

17. Provisions (Non Current)

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

Notes to the Financial Statements for the Year Ended 30 June 2004

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

- (i) This amount represents the granting of 1,658,571 ordinary shares to Roderick G. Harmon and 466,000 ordinary shares to other employees as part of the employee share incentive schemes for nil consideration during the financial year. Refer to Notes 23(b) and 28 for further details.
- (ii) On 7 October 2003, 5,859,938 ordinary shares were issued as part consideration in acquiring the assets of Conmor Cranes Pty Ltd. The value placed on the issue was the contract price at that date of \$0.60 per share.
- (iii) On 7 October 2003, 14,375,000 ordinary shares were issued as part consideration in acquiring 100% of Heavy Lift Cranes Australia Pty Ltd and Holt Industries Pty Ltd, and the assets of Purcell Nominees Pty Ltd. The value placed on the issue was the contract price at that date of \$0.80 per share.
- (iv) The amount of \$3,333,858 represents the transaction costs incurred from the capital raising in 2003 of \$2,110,614 and the capital raising costs of \$1,223,244 carried forward at 30 June 2003. The carried forward deferred capital raising costs were previously recognised as "Other Current Assets" in the 30 June 2003 financial statements. This has been reclassified to "Contributed Equity" as a reduction of the proceeds received from the capital raising as the company's capital raising activities were successful and in accordance with UIG Abstract 23 "Transaction Costs Arising on the Issue of Equity Instruments".

Notes to the Financial Statements for the Year Ended 30 June 2004

	CONSOLIDATED		PARENT	
Note	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000

19. Contributed Equity (continued)

(c) Share options

During the financial year, 1,255,000 options were issued over ordinary shares to Reefside Enterprises Pty Ltd (a director related entity), for performance fees on the successful acquisition of Heavy Lift Cranes Australia Pty Ltd and the assets of Conmor Cranes Pty Ltd. The options have a \$0.60 exercise price and are exercisable upon issue and with a term of 2 years from the date of the company's shares being quoted on the official list of the ASX being 14 October 2003.

At the end of the financial year, there were 2,015,000 (2003: 760,000 issued at \$0.50 exercise price) unissued ordinary shares in respect of which options were outstanding.

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of Boom Logistics Limited.

20. Retained Profits

Balance at the beginning of year	1,867	(710)	1,867	(710)
Net profit attributable to members of Boom Logistics Limited	9,405	2,577	7,911	2,577
Total available for appropriation	11,272	1,867	9,778	1,867
Dividends provided for or paid	(1,108)	-	(1,108)	-
Balance at end of year	10,164	1,867	8,670	1,867

21. Statement of Cash Flows

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

Net profit after tax	9,405	2,577	7,911	2,577
<i>Non cash items</i>				
Depreciation of non current assets	4,141	1,629	2,900	1,629
Amortisation of non current assets	269	-	3	-
Net (profit)/loss on disposal of plant and equipment	(53)	10	(53)	10
Provision for doubtful debts	92	16	43	16
<i>Changes in assets and liabilities</i>				
(Increase)/decrease in trade and other receivables	(9,412)	(1,844)	(8,484)	(1,844)
(Increase)/decrease in inventory	8	(6)	20	(6)
(Increase)/decrease in future income tax benefit	(125)	186	(533)	186
(Increase)/decrease in prepayments and other assets	625	(1,691)	476	(1,691)
(Decrease)/increase in trade and other creditors	3,830	1,226	1,879	1,226
(Decrease)/increase in tax provision	2,524	256	2,572	256
(Decrease)/increase in deferred income tax liability	779	566	779	566
(Decrease)/increase in employee entitlements	329	26	211	26
(Decrease)/increase in other liabilities	(1,173)	408	1,520	408
Net cash flow from operating activities	11,238	3,359	9,244	3,359

Notes to the Financial Statements for the Year Ended 30 June 2004

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
21. Statement of Cash Flows (continued)					
(b) Reconciliation of cash					
Cash balance comprises:					
- cash assets		2,572	883	2,009	883
Closing cash balance		2,572	883	2,009	883
(c) Financing facilities available					
At reporting date, the following financing facilities had been negotiated and were available:					
Total facilities					
- bank overdraft		1,900	500	1,500	500
- bank loans		47,681	21,429	38,165	21,429
Facilities used at reporting date					
- bank overdraft		-	-	-	-
- bank loans		34,072	21,129	24,802	21,129
Facilities unused at reporting date					
- bank overdraft		1,900	500	1,500	500
- bank loans		13,609	300	13,363	300

(d) Non cash financing and investing activities

Finance Lease Transactions

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

Shares Issued For Business Acquisitions

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

Notes to the Financial Statements for the Year Ended 30 June 2004

21. Statement of Cash Flows (continued)

(e) Acquisition of controlled entities and businesses

The following businesses were acquired during the reporting period:

	2004						2003	
	<i>Entity: Connor Cranes</i> Date of Acquisition: 7 October 03 Type of Acquisition: asset purchase	<i>Entity: Heavy Lift Cranes Australia P/L</i> Date of Acquisition: 7 October 03 Type of Acquisition: share purchase	<i>Entity: Purcell</i> Date of Acquisition: 7 October 03 Type of Acquisition: share purchase	<i>Entity: Holt Industries P/L</i> Date of Acquisition: 7 October 03 Type of Acquisition: asset purchase	<i>Entity: Brambles (NSW)</i> Date of Acquisition: 7 October 03 Type of Acquisition: share purchase	<i>Entity: Brambles (WA)</i> Date of Acquisition: 9 October 03 Type of Acquisition: asset purchase	<i>Total Acquisitions</i> Year Ended 30 June 04	<i>Entity: Brambles Perth Cranes P/L</i> Date of Acquisition: 4 November 02 Type of Acquisition: asset purchase
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(i) Consideration								
- cash paid	2,958	1,445	4,085	8,168	4,697	476	21,829	3,600
- ordinary shares	3,516	2,750	750	8,000	-	-	15,016	-
- deferred payments	-	-	-	-	1,150	-	1,150	-
	6,474	4,195	4,835	16,168	5,847	476	37,995	3,600
(ii) Net assets acquired								
- cash	-	30	-	517	-	-	547	-
- trade debtors	-	975	-	2,259	-	-	3,234	-
- inventories	17	6	4	70	14	-	111	-
- other current assets	-	212	18	202	52	7	491	-
- intangibles	-	500	-	615	-	-	1,115	-
- fixed assets	7,009	2,900	7,055	21,790	6,251	543	45,548	7,815
- other non current assets	237	54	22	354	202	19	888	-
	7,263	4,677	7,099	25,807	6,519	569	51,934	7,815
- trade creditors	-	(290)	-	(319)	-	-	(609)	-
- provisions	(789)	(166)	(72)	(1,138)	(672)	(63)	(2,900)	(215)
- other current liabilities	-	(393)	-	(1,954)	-	(30)	(2,377)	-
- interest bearing liabilities	-	(2,079)	(2,192)	(7,716)	-	-	(11,987)	(4,000)
- other non current liabilities	-	(1,130)	-	(1,093)	-	-	(2,223)	-
	(789)	(4,058)	(2,264)	(12,220)	(672)	(93)	(20,096)	(4,215)
Net assets acquired	6,474	619	4,835	13,587	5,847	476	31,838	3,600
(iii) Goodwill arising on acquisition	-	3,576	-	2,581	-	-	6,157	-
(iv) Net cash effect								
Cash consideration paid	2,958	1,445	4,085	8,168	4,697	476	21,829	3,600
Cash included in net assets acquired	-	30	-	517	-	-	547	-
Net cash paid	2,958	1,415	4,085	7,651	4,697	476	21,282	3,600

Notes to the Financial Statements for the Year Ended 30 June 2004

		CONSOLIDATED		PARENT	
	Note	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
22. Expenditure Commitments					
(a) Operating leases (non cancellable)					
Minimum lease payments	(i)				
- not later than one year		1,485	516	1,354	516
- later than one year and not later than five years		4,079	1,532	3,684	1,532
- later than five years		837	1,102	837	1,102
Aggregate operating lease expenditure contracted for at reporting date		6,401	3,150	5,875	3,150
(i) Operating leases have an average lease term of 5 years. Assets that are subject to operating leases include items of plant and equipment and motor vehicles.					
(b) Hire purchase contracts					
The consolidated entity has various cranes on hire purchase contracts for periods of between 36 to 60 months.					
- not later than one year		9,006	3,507	5,810	3,507
- later than one year and not later than five years		29,727	16,824	22,219	16,824
- later than five years		129	-	129	-
Total minimum lease payments		38,862	20,331	28,158	20,331
- future charges		(5,290)	(3,550)	(3,856)	(3,550)
Net hire purchase liability		33,572	16,781	24,302	16,781
- current liability	14	6,667	2,293	4,105	2,293
- non current liability	14	26,905	14,488	20,197	14,488
		33,572	16,781	24,302	16,781

23. Employee Benefits and Commitments

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

(a) Employee benefits

The aggregate employee benefit liability is comprised of:

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

(b) Employee share incentive scheme

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

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

Notes to the Financial Statements for the Year Ended 30 June 2004

23. Employee Benefits and Commitments (continued)

(b) Employee share incentive scheme (continued)

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

Exempt share plan (ESP)

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

Employee share trust (EST)

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

Information with respect to the number of ordinary shares issued under the employee share incentive schemes is as follows:

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

24. Contingent Assets and Contingent Liabilities

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

25. Subsequent Events

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

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

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

Notes to the Financial Statements for the Year Ended 30 June 2004

	Note	CONSOLIDATED		PARENT	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
26. Earnings Per Share					
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:					
Net profit		9,405			
		No. of shares			
Weighted average number of ordinary shares used in calculating basic earnings per share		78,756,314			
<i>Effect of dilutive securities:</i>					
- share options		867,856			
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		79,624,170			

Issues after 30 June 2004

Since the end of the financial year, there have been no issue of ordinary shares or other conversion to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

27. Auditors' Remuneration

Amounts received or due and receivable by PKF for:

- an audit or review of the financial report of the entity and any other entity in the consolidated entity	89,145	27,000	79,145	27,000
- other services in relation to the entity and any other entity in the consolidated entity:				
- tax compliance (PKF Melbourne)	26,606	-	26,606	-
- special audits required by regulators	1,000	-	1,000	-
	116,751	27,000	106,751	27,000
Amounts received or due and receivable by related practice of the auditor of the consolidated entity:				
- other services	247,804	264,872	247,804	264,872

28. Director and Executive Disclosures

(a) Details of specified directors and specified executives

Specified directors

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

* These Directors are also independent as defined in Box 2.1 of the March 2003 ASX Corporate Governance Councils "Principles of Good Corporate Governance and Best Practice Recommendations."

Specified executives

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

(b) Remuneration of specified directors and specified executives

Remuneration policy

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

To assist in achieving these objectives, the Nomination and Remuneration Committee links a proportion of executives' emoluments to the company's financial and operational performance. All executives have the opportunity to qualify for participation in Employee Incentive Plans which provide "at risk" reward where specified criteria are met including criteria relating to revenue, profitability, share price growth and safety performance.

Notes to the Financial Statements for the Year Ended 30 June 2004

28. Director and Executive Disclosures (continued)

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

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

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

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

Notes to the Financial Statements for the Year Ended 30 June 2004

28. Director and Executive Disclosures (continued)

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

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

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

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

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

(c) Option holdings of specified directors and specified executives

	Balance at beginning of period	Granted as remuneration	Options exercised	Net charge other	Balance at end of period	Vested at 30 June 2004		
	1 July 03			#	30 June 04	Total	Not Exercisable	Exercisable
Specified directors								
Terrance A. Hebiton	760,000	-	-	1,255,000	2,015,000	2,015,000	-	2,015,000
Total	760,000	-	-	1,255,000	2,015,000	2,015,000	-	2,015,000

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

28. Director and Executive Disclosures (continued)

(d) Shareholdings of specified directors and specified executives

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

These amounts represent ordinary shares purchased directly or indirectly by the specified directors and executives (including their personally-related entities) during the financial year. Share Sales by T. Hebiton and D. Williams occurred as part of the vendor sell-down at the time of the Company's IPO. Shares were issued to B. Salleh as part of the purchase price consideration paid to B. Salleh as a vendor of Heavy Lift Cranes Australia Pty Ltd on acquisition of this business by Boom Logistics Limited.

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

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

Services

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

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

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

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

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

Other

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

Notes to the Financial Statements for the Year Ended 30 June 2004

28. Director and Executive Disclosures (continued)

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

Amounts payable to specified directors and executives at reporting date:

	2004 \$'000	2003 \$'000
Current liabilities		
- trade creditors	110	146
- other liabilities	243	-
Non current liabilities	96	-
	449	146

29. Related Party Disclosures

Ultimate parent

Boom Logistics Limited is the ultimate parent company.

30. Segment Information

(a) Segment products and locations

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

(b) Segment accounting policies

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

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

31. Financial Instruments

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

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

(b) Credit risk exposures

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

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

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

32. Impact of Adopting AASB Equivalents to IASB Standards

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

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

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

Goodwill

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

Impairment of assets

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

Income taxes

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

Share based payments

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

Directors' Declaration

In accordance with a resolution of the directors of Boom Logistics Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Roderick Harmon
Managing Director



John Robinson
Chairman

Melbourne, 16 August 2004

INDEPENDENT AUDIT REPORT TO MEMBERS OF BOOM LOGISTICS LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Boom Logistics Limited (the company and the consolidated entity) for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of Boom Logistics Limited is in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) giving a true and fair view of the Boom Logistics Limited's financial position as at 30 June 2004 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



PKF
Chartered Accountants



IAN P OLSON
Partner

Dated 16th of August 2004

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 30 July 2004.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of share are:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	130	98,335
1,001	-	5,000	652	2,250,123
5,001	-	10,000	504	4,165,507
10,001	-	100,000	456	10,707,973
100,001	and over		56	75,123,277
			1,798	92,345,215
The number of shareholders holding less than a marketable parcel of shares are:			6	1,043

(b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	Sutville Pty Ltd	9,698,253	16.9
2	Cadilla Pty Ltd	5,834,949	10.1
3	Enerview Pty Ltd	3,661,797	6.4
4	Mr Leslie Raymond Holt	3,500,000	6.1
5	Mrs Patricia Gail Holt	3,500,000	6.1
6	Rbc Global Services Australia	3,146,217	5.5
7	Citicorp Nominees Pty Limited	3,015,277	5.2
8	Hugh Anthony Morris	2,929,969	5.1
9	Mr Thomas John Morris	2,929,969	5.1
10	Hugh Anthony Morris & Anna Rosalind Morris	2,406,250	4.2
11	Mr Douglas Williams	2,000,000	3.5
12	Ms Jean Williams	2,000,000	3.5
13	Mr Graeme Morgan	1,867,107	3.2
14	Mr Colin Hebiton & Mr Terrance Hebiton	1,867,106	3.2
15	Oldmack Pty Ltd	1,664,314	2.9
16	Harmon Consulting Pty Ltd	1,658,571	2.9
17	National Nominees Limited	1,601,578	2.8
18	Alpha Cranes Pty Ltd	1,597,661	2.8
19	Mirrabooka Investments Limited	1,400,000	2.4
20	J P Morgan Nominees Australia	1,264,943	2.2
Top twenty shareholders		57,543,961	62.3
Remainder		34,801,254	37.7
Total		92,345,215	100.0

(c) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

This page has been left blank intentionally.

This page has been left blank intentionally.

This page has been left blank intentionally.

