BOOM LOGISTICS LTD

A.B.N. 28 095 466 961

ANNUAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2003

BOOM LOGISTICS LTD

A.B.N. 28 095 466 961

CONTENTS

CORPORATE DIRECTORY

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

Company Secretary
Mark Lawrence

Registered Office
167 Dohertys Road
NORTH LAVERTON, VIC, 3026

Principle Place of Business
167 Dohertys Road
NORTH LAVERTON VIC 3026
Telephone No: (03) 9369 1222
Fax No: (03) 9369 5015

Other Operations
96 Poole Street
WELSHPOOL WA 6106

Company Numbers
A.C.N. 095 466 961
A.B.N. 28 095 466 961

Web Site Address
www.boomlogistics.com.au

Legal Advisers
Phillips Fox
120 Collins Street
MELBOURNE VIC 3000

(03) 9274 5000

Auditors
PKF Chartered Accountants
7th Floor, BGC Centre
28 The Esplanade
PERTH WA 6000
(08) 9278 2222

Company Domicile and Legal Form
Boom Logistics Ltd is an Australian Company limited by shares

Country of Incorporation
Australia

DIRECTORS' REPORT

The directors present their report together with the financial report of Boom Logistics Ltd ("the Company") for the year ended 30 June 2003 and the auditor's report thereon.

Directors

John Robinson, BSc, MG Sc, F Aus IMM
Non-Executive Chairman (Appointed 15/11/02)

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, and is a director and deputy chairman of Prince Henry's Institute for Medical Research. Mr. Robinson has extensive experience in corporate governance and compliance.

Roderick Glynn Harmon
Chief Executive Officer
Director (Appointed 29/04/02)

Mr. Harmon was with BHP Billiton Limited for eleven years in various executive positions within BHP Billiton Limited's Steel, Collieries, Transport and Logistics businesses, as well as holding various directorships. Most recently, Mr. Harmon held the position of President BHP Land Logistics Services, a $400m business operating throughout Australia, New Zealand, South East Asia and West Coast USA. Mr. Harmon brings to the company a wealth of business and corporate experience.

Terence Alexander Hebiton
Non-Executive Director (Appointed 22/12/00)

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 in Alpha Crane Hire. He has been one of the driving forces behind the formation of the company.

Douglas Edwin Williams
Executive Director (Appointed 12/02/02)

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. Mr. Williams is one of the most experienced executives in the Australian crane hire industry.

Dr. Huw G Davies, BSc (Hons), PhD (Geology)
Non-Executive Director (Appointed 15/11/02)

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 Gale Pacific Limited, Gascor Pty Ltd, the SECV Executive Committee and a director of Snowy Hydro Limited.

Fiona Bennett, BA (Hons), CA, FAIM
Non-Executive Director (Appointed 15/11/02)

Formerly Vice President of Corporate Services of BHP Billiton Limited, Ms. Bennett is a chartered accountant with over 20 years experience in corporate governance, audit and risk management. Ms. Bennett also has experience in the resources, services, and manufacturing and health industries. She is currently Chief Financial Officer of the Royal Children's Hospital and the Royal Women's Hospital, Victoria and is also a director of the International Diabetes Institute and Guides Victoria.

All of the above Directors are still in office at the date of this report unless otherwise stated.

Review of operations and results of operations

Financial

Profit of the company for the year ended 30 June 2003 after income tax expense, amounted to $2,576,991 (2002: Loss $509,599)

Significant changes in the state of affairs

Boom completed the acquisition of Brambles Perth Cranes in November 2002 to further expand its WA operations.

Principal activities

The principal activities of the company during the financial year was the provision of crane hire services.

Events subsequent to reporting date

On 1st July 2003, the company acquired the business of Brambles Goldfields cranes for a consideration of $432,612, and is in the process of finalising negotiations to acquire a further five businesses in Australia by way of an Initial Public Offering to raise $21million (before costs) on the Australian Stock Exchange.

Likely future developments and expected results

Boom expects progress towards being a national crane hire company represented in all major states of Australia.

Environmental Regulation

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State Legislation. However, the Board believes that the company has adequate systems in place for the management of its environmental requirements as they apply to the company.

Dividends

The directors of the company do not recommend the payment of a dividend and no dividends have been paid or declared since the commencement of the year.

Directors

The following served as directors of the company during the year and since the end of the year:

Name of Director	*No. of Meetings Held while a Director*	*No. of Meetings Attended as a Director during the year ended 30 June 2003*
J. Robinson	12	12
R.G. Harmon	21	21
T.A. Hebiton	21	20
D.E. Williams	21	21
Dr. H.G. Davies	12	11
F. Bennett	12	12
W. Healy	11	11
C.G.L. Hebiton	11	10
F.A. Legena	11	9
I.R. Hassell	11	11

The following resigned as directors of the company during the year:
W. Healy (15/11/02); C.G.L. Hebiton (15/11/02); F.A. Legena (15/11/02); and I.R. Hassell (15/11/02).
The following were appointed as directors of the company during the year:
J. Robinson (15/11/02); Dr. H.G. Davies (15/11/02) and F. Bennett (15/11/02).

Director's interests

Details of the directors' interests in shares and options as at the end of the financial year are set out in note 18 to the financial statements accompanying this report.

Share Options Granted to Directors and Officers

A total of 760,000 options were issued to Reefside Enterprises Pty Ltd, at a 50-cent exercise price as a performance fee on the negotiation and completion of the Brambles Perth Cranes acquisition. Terence Hebiton and Colin Hebiton are directors of Reefside Enterprises Pty Ltd

Employee Share Option Plan

There was no employee share option plan during the year.

Indemnification of officers and auditors

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 policy 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.
Signed in accordance with a resolution of the Board of Directors:

Director ....
John Robinson

Director ....
Roderick G. Harmon

Dated this 31st day of July 2003

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2003

	Note	2003 $	2002 $
Sales Revenue		28,608,952	7,441,669
Revenues from ordinary activities	2	28,608,952	7,441,669
Cost of Services		(17,291,657)	(4,874,588)
Gross Profit		11,317,295	2,567,081
Depreciation expense	3	(1,628,685)	(491,721)
Salaries and employees expenses		(1,917,090)	(465,471)
Occupancy expenses		(612,376)	(284,343)
Marketing expenses		(125,572)	(177,416)
Consultancy expenses		(225,156)	(588,887)
Borrowing cost expenses	3	(1,488,620)	(510,954)
Operating lease expenses	3	(612,376)	(175,361)
Other expenses from ordinary activities		(1,230,919)	(647,366)
Other revenues from operating activities	2	108,391	31,063
Profit/(loss) from ordinary activities before income tax (expense)/revenue		3,584,892	(743,375)
Income tax (expense)/revenue relating to ordinary activities		(1,007,901)	233,776
Profit/(loss) from ordinary activities after income tax (expense)/revenue		2,576,991	(509,599)
Net profit/(loss) attributable to members of the company		2,576,991	(509,599)
Total changes in equity other than those resulting from transactions with owners as owners		2,576,991	(509,599)
Basic earnings per share (cents)	21	5.89	(2.70)
Diluted earnings per share (cents)	21	5.85	(2.70)

The above Statement of Financial Performance is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2003

	Note	2003 $	2002 $
CURRENT ASSETS			
Cash assets		883,362	936,416
Receivables	6	5,914,711	4,087,485
Inventories	7	21,110	14,899
Other assets	8	1,770,346	79,718
TOTAL CURRENT ASSETS		8,589,529	5,118,518
NON-CURRENT ASSETS			
Property, plant and equipment	9	28,707,940	21,363,866
Intangible assets	10	66,856	66,856
Deferred tax assets	4	269,604	455,588
TOTAL NON-CURRENT ASSETS		29,044,400	21,886,310
TOTAL ASSETS		37,633,929	27,004,828
CURRENT LIABILITIES			
Payables	11	3,201,163	1,975,379
Interest bearing liabilities	12	4,365,360	2,269,352
Provisions	13	649,062	408,229
Current tax liability	4	255,640	-
Other liabilities	14	850,318	442,548
TOTAL CURRENT LIABILITIES		9,321,543	5,095,508
NON-CURRENT LIABILITIES			
Interest bearing liabilities	12	16,763,685	15,421,962
Deferred tax liabilities	4	788,090	221,813
TOTAL NON-CURRENT LIABILITIES		17,551,775	15,643,775
TOTAL LIABILITIES		26,873,318	20,739,283
NET ASSETS		10,760,611	6,265,545
EQUITY			
Contributed equity	15	8,893,641	6,975,566
Retained Earnings / (Accumulated losses)	5	1,866,970	(710,021)
TOTAL EQUITY		10,760,611	6,265,545

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2003

	Note	2003	2002
		$	$
Cash flows from operating activities			
Receipts from customers		29,626,141	3,378,976
Payments to suppliers and employees		(24,804,354)	(4,701,472)
Borrowing costs		(1,488,620)	(510,954)
Interest received		25,573	26,334
Net cash provided by / (used in) operating activities	(ii)	3,358,740	(1,807,116)
Cash flows from investing activities			
Payment for plant and equipment		(965,414)	(814,988)
Payment for business acquisitions	(iii)	(3,600,000)	(7,438,900)
Proceeds from the sale of plant and equipment		83,030	-
Net cash provided by / (used in) investing activities		(4,482,384)	(8,253,888)
Cash flows from financing activities			
Proceeds from issue of shares		1,918,075	639,358
Payment of share issue and capital raising costs		-	(17,556)
Proceeds from borrowings	(iii)	2,000,000	11,240,359
Repayment of borrowings		(613,737)	-
Chattels mortgage instalments paid		(312,101)	(151,970)
Hire purchase instalments paid		(1,921,647)	(718,355)
Net cash provided by financing activities		1,070,590	10,991,836
Net increase/(decrease) in cash held		(53,054)	930,832
Cash at the beginning of the year		936,416	5,584
Cash at the end of the year	(i)	883,362	936,416

(i) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and cash in banks. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2003	2002
Cash	883,362	936,416

The above Statement of Cash Flow is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2003

(ii) Reconciliation of net cash flows from operating activities to operating profit / (loss) after income tax

	2003 $	2002 $
Operating profit / (loss) before income tax	3,584,892	(743,375)
Depreciation	1,474,440	440,306
Amortisation	154,245	51,415
Provision for doubtful debts	16,480	885
Loss on sale of plant and equipment	9,556	-
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase)/decrease in trade debtors	(1,843,706)	(4,087,485)
(Increase)/decrease in prepayments	(1,690,628)	(59,655)
(Increase)/decrease in inventories	(6,211)	(14,899)
Increase/(decrease) in trade creditors	1,225,784	1,754,915
Increase/(decrease) in other liabilities	407,770	442,548
Increase/(decrease) in provisions	26,118	408,229
Net cash provided by/ (used in) operating activities	3,358,740	(1,807,116)

(iii) Non-cash investing activities

2003

(a) On the 4th November 2002, the company acquired equipment from the following entity:

Purchase consideration:

Purchase consideration:	Brambles Perth Cranes Pty Ltd
Hire Purchase Financing	4,000,000
Commercial Bill	2,000,000
Cash	1,600,000
Total purchase price	7,600,000
Cost Value of net assets acquired:	
Equipment	7,814,715
Employee entitlements	(214,715)
	7,600,000

(b) During the 2002/03 year, the company entered into a hire purchase contract for equipment totalling $285,216 (2002: $381,044).

The above Statement of Cash Flow is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2003

2002

(c) On the 6 February 2002, Boom Logistics acquired equipment in the following companies from a mixture of share issues and hire purchase financing:

Purchase consideration:

Purchase consideration:	Alpha Cranes Pty Ltd (1)	Sutville Pty Ltd (2)	General Contractors Pty Ltd (3)	Fairbrother (WA) Pty Ltd	Cadilla Pty Ltd (4)	Uniway Pty Ltd (5)
Cash	300,960	4,770,714	537,209	115,000	953,706	761,312
Shares issued	659,064	3,549,778	102,377	-	1,409,200	627,742
Hire purchase Debt	1,107,767	966,686	262,792	-	1,526,425	2,460,582
Total purchase price	2,067,791	9,287,178	902,378	115,000	3,889,331	3,849,636
Cost Value of net assets acquired:						
Equipment	2,077,184	9,436,768	902,378	115,000	3,964,887	3,902,487
Employee entitlements	(9,393)	(149,590)	-	-	(75,556)	(52,851)
	2,067,791	9,287,178	902,378	115,000	3,889,331	3,849,636

(1) 3,295,321 shares issued at $0.20
(2) 17,748,890 shares issued at $0.20
(3) 511,883 shares issued at $0.20
(4) 7,045,998 shares issued at $0.20
(5) 3,138,708 shares issued at $0.20

(d) During the year ended 30 June 2002, the company financed a crane through a loan from Sutville Pty Ltd of $285,216.

The above Statement of Cash Flow is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003

1. Statement of Significant Accounting Policies

The financial report is a general-purpose financial report, which has been drawn up in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views and the Corporations Act 2001.

a) Basis of Accounting

The financial report has been prepared on the historical cost basis except where stated.

The financial report has also been prepared on a going concern basis.

b) Recoverable amounts

The carrying amounts of non-current assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets. The expected net cash inflows included in determining the recoverable amounts have not been discounted to their present values.

c) Revenue recognition

i) Rendering of Services

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

ii) Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

d) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax (expense) / revenue is based on the profit / (loss) from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit / (loss) and taxable income, are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

e) Receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

f) Property, plant and equipment

All items of plant and equipment are stated at cost.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation is calculated on a straight-line basis to write-off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life.

The useful life for each class of depreciable asset is:

Class of Fixed Asset	Useful Life
Mobile Cranes	10 -20 Years
Tower Cranes	20 Years
Tower Sections/Frames	20 Years
Ancillary Equipment	10 Years
Stiff-leg Derricks	20 Years
Vehicles	5 Years
Office Equipment	10 Years
Computer Equipment	3 Years
Workshop Equipment	10 Years
Leasehold Improvements	10 Years

On disposal of an item of plant and equipment the difference between the sales proceeds and the carrying amount of the asset at the time of the disposal is recognised as income or an expense.

g) Accounts payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

h) Hire Purchase

Hire purchase interest is charged or credited to the statement of financial performance.

i) Borrowings

Borrowings are recognised in the financial statements on the basis of the nominal amounts outstanding at the balance date plus accrued interest.

j) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred 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.

k) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property, without transferring the legal ownership, and operating leases under which the lessor effectively retains substantially all the risks and benefits.

Operating lease payments are charged to expenses on a basis, which is representative of the pattern of benefits derived from the leased property.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are depreciated over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

l) Employee entitlements

The following liabilities arising in respect of employee entitlements are measured at their nominal amounts:

i) wages and salaries and annual leave regardless whether they are expected to be settled within twelve months of balance date.

ii) other employee entitlements which are expected to be settled within twelve months of balance date.

All other employee entitlements, including long service leave, are measured at the present value of the estimated future cash outflows in respect of services provided up to the balance date. Liabilities are determined after taking into consideration the estimated future increase in wages and salaries and past experience regarding staff departures.

m) Deferred business acquisition and capital raising costs

The deferred business acquisition and capital raising costs represent costs incurred on the proposed business acquisitions and capital raising to 30th June 2003.

n) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes of presentation in 2003.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003

	2003	2002
	$	$

2. Revenues from Ordinary Activities

	2003 $	2002 $
Sales Revenue		
Rendering of services	28,608,952	7,441,669
	28,608,952	7,441,669
Revenue from:		
Interest	25,573	26,334
Other revenue	82,818	4,729
	108,391	31,063

3. Profit / (Loss) from Ordinary Activities

The following items have been recognised in the operating profit / (loss) before income tax:

	2003 $	2002 $
Expenses:		
Cost of Services	17,291,657	4,874,588
Borrowing Costs	1,488,620	510,954
Depreciation of non current assets	1,628,685	491,721
Operating leases	612,376	175,361
Bad debts written off	235,645	51,415

4. Income Tax

The prima facie tax on operating profit / (loss) differs from the income tax expense as follows:

	2003 $	2002 $
Prima facie tax on operating profit/(loss) calculated at 30% (2002: 30%)	1,075,467	(223,013)
Add/(deduct) tax effect of:		
Prior year tax losses recouped	(124,167)	
Non-deductible items	56,601	49,364
Increase/(decrease) in PDIT or (Increase)/decrease in FITB due to		
- Recognition of prior year losses previously not considered virtually certain	-	(60,127)
Income tax expense/(revenue)	1,007,901	(233,776)
Future income tax benefit	269,604	455,588
Provision for deferred income tax	788,090	221,813
Current tax liability	255,640	-

The future income tax benefits recognised above will only be obtained if:

a) The company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised,
b) The company continues to comply with the conditions for deductibility imposed by tax legislation, and
c) There are no changes in tax legislation adversely affecting the company in realising the benefit from deductions for the loss.

	2003	2002
	$	$
5. Retained Profits / (Accumulated Losses) and Total Equity		
Retained Profits / (Accumulated Losses)		
(Accumulated losses) at the beginning of the financial year	(710,021)	(200,422)
Net profit /(loss) attributable to members of the company	2,576,991	(509,599)
Retained Earnings / (Accumulated losses) at the end of the financial year	1,866,970	(710,021)
Total Equity		
Total equity at the beginning of the financial year	6,265,545	(194,818)
Total changes in equity recognised in the Statement of financial performance	2,576,991	(509,599)
Transactions with owners as owners:		
Contribution of equity	1,918,075	639,357
Shares issued to acquire equipment (refer to Statement of cash flows note (iii))	-	6,348,161
Less transactions costs arising on the issue of equity instruments recognised directly in equity	-	(17,556)
Total equity at the end of the financial year	10,760,611	6,265,545
6. Receivables		
Current		
Trade accounts receivable	5,931,191	4,087,485
Provision for doubtful debts	(16,480)	-
Total current receivables	5,914,711	4,087,485
7. Inventories		
Fuel	21,110	14,899
Total inventories	21,110	14,899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003

	2003	2002
	$	$
8. Other Assets		
Current		
Prepayments	354,174	79,718
Deferred business acquisition and capital raising costs	1,416,172	-
Total other current assets	1,770,346	79,718
9. Property, Plant and Equipment		
Plant and equipment at cost	30,778,619	21,853,949
Accumulated depreciation at cost	(2,106,870)	(490,083)
Net carrying amount of plant and equipment	28,671,749	21,363,866
Leasehold improvements at cost	36,600	-
Accumulated depreciation at cost	(409)	-
Net carrying amount of leasehold improvements	36,191	-
Total Property, Plant and Equipment	28,707,940	21,363,866
Movements during the year:		
Beginning of the financial year	21,363,866	-
Additions via acquisitions	7,814,715	20,398,704
Other additions	1,250,630	1,456,883
Disposals	(92,586)	-
Depreciation expense	(1,628,685)	(491,721)
End of the financial year	28,707,940	21,363,866
10. Intangible Assets		
Formation expenses	66,856	66,856

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003

	2003 $	2002 $
11. Payables		
Current		
Trade accounts payable	3,039,271	1,975,379
Accrued liabilities	161,892	-
	3,201,163	1,975,379
12. Interest Bearing Liabilities		
Current Secured		
Loan – Sutville	-	313,737
Commercial bill (1)	1,700,000	-
Chattels mortgage (1)	371,810	343,509
Hire purchase liability (1)	3,507,159	2,696,834
Less unexpired charges	(1,213,609)	(1,084,728)
Total current interest bearing liabilities	4,365,360	2,269,352
Non Current Secured		
Chattels mortgage (1)	2,275,636	2,647,447
Hire purchase liability (1)	16,824,448	15,503,644
Less unexpired charges	(2,336,399)	(2,729,129)
Total non current interest bearing liabilities	16,763,685	15,421,962

(1) The hire purchase, commercial bill and chattels mortgage liabilities are secured by a first registered mortgage over the whole of the assets and undertakings of the company and a guarantee and indemnity for $7,000,000. A full and unlimited indemnity is provided by C. Hebiton, T. Hebiton, F. Legena and I. Hassell, with D. Williams, W. Healy and G. Morgan being limited to their respective shareholdings.

	2003 $	2002 $
13. Provisions		
Current		
Employee entitlements	615,686	391,686
Other provisions	33,376	16,543
Total current provisions	649,062	408,229
Number of full time equivalent employees at year end	141	75
14. Other Liabilities		
Current Unsecured		
Wages clearing	18,570	7,292
Accrued charges	434,003	82,972
GST suspense account	-	7,288
GST liability	168,055	186,721
Provision for PAYG withholding	229,690	158,275
	850,318	442,548

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003

	2003 No	2002 No	2003 $	2002 $
15. Contributed Equity				
Ordinary Shares				
Fully Paid				
Ordinary Shares of $1	3	3	3	3
Ordinary Shares of $0.001	5,601,319	5,601,319	5,601	5,601
Ordinary Shares of $0.40	6,393,584	6,393,584	2,557,432	639,357
Ordinary Shares of $0.20	31,740,800	31,740,800	6,348,161	6,348,161
Transaction costs arising on the issue of equity instruments recognised directly in equity			(17,556)	(17,556)
	43,735,706	43,735,706	8,893,641	6,975,566
Ordinary Shares				
Unpaid Capital				
6,393,584 $0.40 ordinary shares paid up to $0.10, the uncalled amount is $0.30 totalling $1,918,075			-	1,918,075
			-	1,918,075

16. Commitments for Expenditure
Hire Purchase
The company has various cranes on hire purchase arrangements. All hire purchase contracts are for a period of 36 to 60 months.

	2003 $	2002 $
Not later than one year	3,507,159	2,696,834
Later than one year but not later than five	16,824,448	15,503,644
Less: Unexpired charges	(3,550,008)	(3,813,857)
	16,781,599	14,386,621

	2003 $	2002 $
Hire Purchase		
Current (note 12)	2,293,550	1,612,106
Non Current (note 12)	14,488,049	12,774,515
Total hire purchase	16,781,599	14,386,621

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003

	2003	2002
	$	$
Operating Leases		
Minimum lease payments under non-cancelable operating leases for premises according to the time expected to elapse to the expected date of payment.		
Not later than one year	515,750	435,000
Later than one year but not later than five years	1,532,000	2,009,000
Later than five years	1,102,500	725,000
	3,150,250	3,169,000

17. Directors Remuneration and Retirement Benefits

Directors' Remuneration:

	2003	2002
Aggregate of income paid or payable or otherwise made available:		
To all directors of the company or any related parties	542,861	146,808

Number of directors whose income from the company or any related parties was within the following bands:

			No.	No.
$0	-	$9,999	-	4
$10,000	-	$19,999	5	-
$20,000	-	$29,999	2	-
$30,000	-	$39,999	-	1
$50,000	-	$59,999	1	2
$150,000	-	$159,999	1	-
$210,000	-	$219,999	1	-

The names of directors who have held office during the financial year are:

John Robinson
Roderick G Harmon
Terence A Hebiton
Douglas E Williams
Dr. Huw G. Davies
Fiona Bennett
William P Healy
Colin G L Hebiton
Frank A Legena
Iain R Hassell

Retirement and Superannuation Payments:

	2003	2002
Amounts of a prescribed benefit given during the year by the company or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office	38,813	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

18. Related Party Transactions

Toman Trust, of which T. Hebiton holds a beneficial interest, provided consulting services on normal commercial terms to the value of $363,941 during the year (2002: $437,109).

Reefside Enterprises Pty Ltd were issued 760,000 options at a 50-cent exercise price as a performance fee on the negotiation and completion of the Brambles Perth Cranes acquisition. T. Hebiton is a director of Reefside Enterprises Pty Ltd.

Reefside Enterprises Pty Ltd provided consultancy services during the year on normal commercial terms for $137,286. The amount outstanding as at 30 June 2003 was $16,500. (2002: Nil)

D. Williams is a landlord of one of the premises leased by the Victorian branch on normal commercial terms for $165,000 during the year (2002: $65,804). The amount outstanding as at 30 June 2003 is $56,561 (2002: $28,595)

D. Williams, through Sutville Pty Ltd, is the owner of a crane hired to Boom during the year on normal commercial terms for $165,240 (2002: $145,687). The amount outstanding as at 30 June is $73,378 (2002: $294,644)

During the year, the company repaid a loan of $313,737 provided by D. Williams through Sutville Pty. Ltd. This loan was outstanding at 30th June 2002.

Directors Interests

The following table sets out each Directors relevant interest in shares and options of the company as at the date of this report:

Director	*Options*	*Ordinary Shares*
John Robinson	-	-
Terence A Hebiton (2, 3 & 4)	380,000	1,657,384
Fiona Bennett	-	-
Dr. Huw Davies	-	-
Douglas E Williams (1)	-	18,260,773
Roderick G Harmon	-	-

(1) Includes 3,000,000 shares held by Jean Williams, 511,883 shares held by General Contractors Services Pty Ltd, 2,000,000 shares held by Mogador Pty Ltd and 9,748,890 shares held by Sutville Pty Ltd.
(2) Includes 723,830 shares held by Alpha Cranes Pty Ltd
(3) Includes 933,553 shares held in partnership between C & T Hebiton
(4) Includes a 50% share in 760,000 options held by Reefside Pty. Ltd. These options will expire on the last business day of the period commencing on the date of:
(a) a full trade sale of the company and ending 24 months after that date;
(b) the company's shares being quoted on the official list of the ASX and ending 24 months after that date; or
(c) issue of the options and ending 36 months after that date,
whichever period ends first.

	2003	2002
	$	$
19. Auditors Remuneration		
Auditor of the company		
Audit	27,000	15,000
Other services	264,872	10,000
	291,872	25,000

20. Financial Instruments

a) Terms, conditions and accounting policies

Instruments	*Accounting Policies*	*Terms & Conditions*
i) Financial assets		
Cash	All cash is carried at nominal amounts. Interest is recognised as revenue as it accrues.	All cash is available 'at call'.
Receivables, trade	Trade receivables are carried at nominal amounts.	Receivables are received in accordance with company credit terms of 30 days.

ii) Financial liabilities

Instruments	*Accounting Policies*	*Terms & Conditions*
Payables	Liabilities are recognised for amounts to be paid in the future for goods and services, whether or not billed to the company.	Account payables are normally settled on 30-day terms.
Hire Purchase	Hire purchase interest is charged or credited to the statement of financial performance.	The hire purchase contracts are for a period of 36 to 60 months.
Mortgage Chattels	Mortgage chattels interest is charged or credited to the statement of financial performance.	The mortgage chattels contracts are for a period of 60 months.
Commercial Bill	Commercial Bill interest is charged or credited to the statement of financial performance.	The commercial bill facility expires on 31st December 2003, and may be repaid on any bill maturity date prior to the expiry date.

b) *Interest Rate Risk*
Exposure to interest rate risks on financial assets and liabilities are summarised as follows:

	Floating interest rate 2003	Fixed Interest Rate <1yr 2003	Fixed Interest Rate 1-5yrs 2003	Non-interest bearing 2003	Carrying amount per statement of financial position 2003	Weighted average effective interest rate 2003
i) *Financial Assets*						
Cash	880,262	-	-	3,100	883,362	2.9%
Receivables	-	-	-	5,931,191	5,931,191	-
Total financial assets	880,262	-	-	5,934,291	6,814,553	-
ii) *Financial liabilities*						
Payables	-	-	-	3,201,163	3,201,163	-
Interest bearing liabilities	-	4,365,360	16,763,685	-	21,129,045	7.8%
Total financial liabilities	-	4,365,360	16,763,685	3,201,163	24,330,208	-
Net financial assets	880,262	(4,365,360)	(16,763,685)	2,733,128	(17,515,655)	

	Floating interest rate 2002	Fixed Interest Rate <1yr 2002	Fixed Interest Rate 1-5yrs 2002	Non-interest bearing 2002	Carrying amount per statement of financial position 2002	Weighted average effective interest rate 2002
iii) *Financial Assets*						
Cash	934,113	-	-	2,303	936,416	3.1%
Receivables	-	-	-	4,087,484	4,087,484	-
Total financial assets	934,113	-	-	4,089,787	5,023,900	-
iv) *Financial liabilities*						
Payables	-	-	-	1,975,379	1,975,379	-
Interest bearing liabilities	-	2,269,352	15,421,962	-	17,691,314	8.2%
Total financial liabilities	-	2,269,352	15,421,962	1,975,379	19,666,693	-
Net financial assets	934,113	(2,269,352)	(15,421,962)	2,114,408	(14,642,793)	

	2003 $	2002 $
21. Earnings per Share		
(a) Basic earnings per share	5.89	(2.70)
(b) Net profit/(loss) used in calculating basic earnings per share	2,576,991	(509,599)
(c) The weighted average number of shares on issue during the year	43,735,706	18,845,660

22. Segment Reporting

Industry Segments
The company operates in the crane hire industry.

Geographical Segments
The company operates in Australia only.

23. Events Subsequent to Reporting Date
On 1st July 2003, the company acquired the business of Brambles Goldfields cranes for the consideration of $432,612. The financial effect, of which, has not been recognised. The company is in the process of finalising negotiations to acquire a further five businesses in Australia by way of an Initial Public Offering to raise $21million (before costs) on the Australian Stock Exchange.

DIRECTORS' DECLARATION

In the opinion of the directors of Boom Logistics Limited:

a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with the accounting standards and give a true and fair view of the company's financial position as at 30 June 2003 and of its performance for the year ended on that date.

b) at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:

Director ....
John Robinson

Director ....
Roderick G. Harmon

Dated this 31st day of July 2003

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

BOOM LOGISTICS LTD
A.B.N. 28 095 466 961

Scope

The Financial Report and Director's 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 Boom Logistics Ltd (the company), for the year ended 30th June 2003.

The company's directors 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 has been conducted in accordance with Australian Auditing and Assurance 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 judgment, 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 materials respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We read the other information in the annual report to determine whether it contained any material inconsistencies with the financial report.

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 the company:

- gives a true and fair view of the financial position of the company as at 30th June 2003 and of its performance for the year ended on that date; and
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia.

PKF

PKF
Chartered Accountants
(Western Australian Partnership)

IAN P OLSON
Partner
Dated at Perth this 31st day of July 2003.

BOOM LOGISTICS LTD

A.B.N. 28 095 466 961

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2002

BOOM LOGISTICS LTD

A.B.N. 28 095 466 961

CONTENTS

CORPORATE DIRECTORY

Directors
Colin G L Hebiton
Terrance A Hebiton
William P Healy
Frank A Legena
Iain R Hassell
Douglas E Williams
Roderick G Harmon

Company Secretary
Garth Berg

Registered Office
Unit 7 3rd Floor, 643 Murray Street
WEST PERTH WA 6005

Principle Place of Business
96 Poole Street,
WELSHPOOL WA 6106
Telephone No: 9356 0900
Fax No: 9356 0999

Company Number
095 466 961

Web Site Address
www.boomlogistics.com.au

Legal Advisers

Phillips Fox	9288 6000
Peter Lark & Co	9322 8200
Clare Barber	9385 5814

Auditors
PKF Chartered Accountants
7th Floor, BGC Centre
28 The Esplanade
PERTH WA 6000

Company Domicile and Legal Form
Boom Logistics Ltd is an Australian Company limited by shares

Country of Incorporation
Australia

DIRECTORS' REPORT

The directors present their report together with the financial report of Boom Logistics Ltd ("the Company") for the year ended 30 June 2002 and the auditor's report thereon.

Directors

William Healy – Chairperson (Bill)
Chairman (Appointed 22/12/00)

Bill was a founding executive of Australia's largest master trust. He was instrumental in developing the organisation to hold $4 billion of funds under management in 1995. Subsequent to his executive role, he acted as a director of the company and was instrumental in the sale of the organisation in 1997. He holds a Bachelor of Commerce degree. Since 1997 Bill has managed an extensive portfolio of rural construction and investment interests. He is currently the director of a prominent vineyard within Western Australia. Bill brings to BOOM Logistics an extensive experience in business development, strategic planning and innovative business initiatives.

Roderick Glynn Harmon (Rod)
Chief Executive Officer
Director (Appointed 29/04/02)

Rod was with BHP Billiton for eleven (11) years in various executive positions within BHP Steel, Collieries, Transport and Logistics, as well as holding various directorships. Most recently held the position of President BHP Land Logistics Services, a $400m business operating throughout Australia, New Zealand, South East Asia and West Coast USA. Rob brings to BOOM Logistics a wealth of business and corporate experience to support our future objectives.

Terence Alexander Hebiton (Jack)
Director (Appointed 22/12/02)

Jack commenced his commercial career in the rural sector. In 1989, he along with Colin, acquired various business interests associated with land and property rental developments. In the late 1990's Jack was Managing Director of a construction company. He is currently a Director of a number of private companies and is a principal in Alpha Crane Hire. He has been instrumental in the formation of BOOM Logistics.

Colin Geoffrey Lang Hebiton
Director (Appointed 22/12/00)

Colin commenced his commercial career in the rural sector along with Jack. They have been partners for their entire commercial career. He is currently a Director of a number of private companies. He has been instrumental in the formation of BOOM Logistics and has an excellent understanding of the operational issues that will need to be addressed and monitored in the participant companies to ensure BOOM Logistics has a successful start-up.

Frank Alphons Legena
Director (Appointed 12/02/02)
National Strategic Development Manager

As a former principal of Uniway Pty Ltd, Frank brings to BOOM Logistics a wealth of experience in the Western Australian market. With his co-founder, Frank established Uniway to be WA's second ranking crane hire company with a 15% market share and an enviable record of having supplied cranes to a diverse industry range including chemical, mining and manufacturing as well as the Government utilities sector.

Iain Ramsay Hassell (Ramsay)
Director (Appointed 12/02/02)

As a principal of Midland Cranes Ramsay has more than 30 years experience in the crane industry, as an operator and manager. Ramsay started a steel erection and engineering business in 1964 and was engaged in major silo construction for the grain pool of Western Australia. He moved into crane hire in conjunction with S.F.M. His engineering skills have involved him in the design of mobile pick up and carry cranes from 28 t/m to 108 t/m, dollies for large hydraulic cranes in all mainland states and specialised lifting equipment. Ramsay has also played an active roll in CICA regarding government legislation.

Douglas Edwin Williams
General Manager – Victoria
Director (Appointed 12/02/02)

Doug was Managing Director of Sutville Pty Ltd and had been associated with the company since its formation in 1978, and has been personally responsible for its development since 1982. Through steady growth and focus on the hire/sale of tower cranes to the building and civil engineering sectors, Sutville enjoys a pre-eminent status in the crane industry. Doug is one of the most experienced executives in the Australian crane hire industry, and his knowledge of the tower crane sector is unmatched.

All of the above Directors are still in office at the date of this report unless otherwise stated.

Review of operations and results of operations

Financial

Loss of the company for the year ended 30 June 2002 after income tax revenue amounted to $509,599 as a result of merger and consolidation costs.

Operational

The company commenced operations as a crane hire company on 7 February 2002 in Victoria and WA in the first 3 months of operation as a hire company the completion of merger and integration was achieved.

Significant changes in the state of affairs

Boom overcame initial merger and cultural issues to track steadily towards budget forecasts in the closing months of financial year 2002.

Principal activities

The principal activities of the company during the financial year were twofold.

(a) As a consolidator and founder of a national crane co; and
(b) As a fully operational crane hire company from February to 30 June 2002.

Events subsequent to reporting date

The company has embarked on a growth path post 30 June 2002 and has commenced negotiation with 3 companies in Australia.

Likely future developments and expected results

Boom will progress towards being a national crane hire company represented in all major states of Australia.

Environmental Regulation

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State Legislation. However, the Board believes that the company has adequate systems in place for the management of its environmental requirements as they apply to the company.

Dividends

The directors of Boom Logistics Ltd do not recommend the payment of a dividend and no dividends have been paid or declared since the commencement of the year.

Directors

The following served as directors of the company during the year and since the end of the year:

Name of Director	*No. of Meetings Held while a Director*	*No. of Meetings Attended as a Director during the year ended 30 June 2002*
C.Hebiton	14	14
T.Hebiton	14	12
W.Healy	14	14
F.Legena	7	7
I.Hassell	7	6
D.Williams	7	6
R.Harmon	3	3

Director's interests

Details of the directors' interests in shares and options as at the end of the financial year are set out in note 18 to the financial statements accompanying this report.

Share Options Granted to Directors and Officers

No options over issued shares or interests in the company were granted during or since the end of the period and there were no options outstanding at the date of this report.

Employee Share Option Plan

There was no employee share option plan during the year.

Indemnification of officers and auditors

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 policy 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.

Signed in accordance with a resolution of the Board of Directors:

Director ....
Colin G L Hebiton

Director ....
Terrance A Hebiton

Dated this 31st day of OCTOBER ~~November~~ 2002

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2002

	Note	2002	2001
		$	$
Sales Revenue		7,441,669	-
Revenues from ordinary activities	2	7,441,669	-
Cost of Services		(4,874,588)	-
Gross Profit		2,567,081	-
Depreciation and amortisation expenses	3	(491,721)	-
Salaries and employees expenses		(465,471)	-
Occupancy expenses		(284,343)	-
Marketing expenses		(177,416)	-
Consultancy expenses		(588,887)	(132,624)
Borrowing cost expenses		(510,954)	-
Other expenses from ordinary activities		(822,727)	(67,798)
Other revenues from operating activities	2	31,063	-
Loss from ordinary activities before Income tax (expense)/revenue		(743,375)	(200,422)
Income tax (expense)/revenue relating to ordinary activities		233,776	-
Loss from ordinary activities after Income tax (expense)/revenue		(509,599)	(200,422)
Net loss attributable to members of the company		(509,599)	(200,422)
Total changes in equity other than those resulting from transactions with owners as owners		(509,599)	(200,422)

The above Statement of Financial Performance is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2002

	Note	2002	2001
		$	$
CURRENT ASSETS			
Cash assets		936,416	5,584
Receivables	6	4,087,485	20,062
Inventories	7	14,899	
Other assets	8	79,718	-
TOTAL CURRENT ASSETS		5,118,518	25,646
NON-CURRENT ASSETS			
Plant and equipment	9	18,330,375	-
Intangible assets	10	3,100,347	-
Deferred tax assets	4	455,588	-
TOTAL NON-CURRENT ASSETS		21,886,310	-
TOTAL ASSETS		27,004,828	25,646
CURRENT LIABILITIES			
Payables	11	1,975,379	220,464
Interest bearing liabilities	12	2,269,352	-
Provisions	13	408,229	-
Other	14	442,548	-
TOTAL CURRENT LIABILITIES		5,095,508	220,464
NON-CURRENT LIABILITIES			
Interest bearing liabilities	12	15,421,962	-
Deferred tax liabilities	4	221,813	-
TOTAL NON-CURRENT LIABILITIES		15,643,775	-
TOTAL LIABILITIES		20,739,283	200,402
NET ASSETS		6,265,545	(194,818)
EQUITY			
Contributed equity	15	6,975,566	5,604
Accumulated losses	5	(710,021)	(200,422)
TOTAL EQUITY		6,265,545	(194,818)

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2002

	Note	2002	2001
		$	$
Cash flows from operating activities			
Receipts from customers		3,378,976	-
Payments to suppliers and employees		(4,701,472)	-
Borrowing costs		(510,954)	-
Interest received		26,334	-
Net cash used in operating activities	(ii)	(1,807,116)	-
Cash flows from investing activities			
Payment for other plant and equipment		(814,988)	-
Net cash used in investing activities		(814,988)	-
Cash flows from financing activities			
Proceeds from issue of shares		639,358	5,584
Payment of share issue and capital raising costs		(17,556)	-
Proceeds from borrowing's		3,801,459	-
Chattels mortgage instalments paid		(151,970)	-
Hire purchase instalments paid		(718,355)	-
Net cash provided by financing activities		3,552,936	5,584
Net increase/(decrease) in cash held		930,832	5,584
Cash at the beginning of the year		5,584	-
Cash at the end of the year	(i)	936,416	5,584

(i) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and cash in banks. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2002	2001
Cash	936,416	5,584

The above Statement of Cash Flow is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2002

	Note	2002	2001
		$	$
(ii) Reconciliation of net cash flows from operating activities to operating loss after income tax			
Operating loss after income tax		(509,599)	(200,422)
Depreciation		440,306	-
Amortisation		51,415	-
Provision for doubtful debts		885	-
(Increase) in FITB		(455,588)	-
Increase in PDIT		221,813	-
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:			
(Increase)/decrease in trade debtors		(4,087,485)	(20,062)
(Increase)/decrease in prepayments		(59,656)	-
(Increase)/decrease in inventories		(14,899)	-
Increase/(Decrease) in trade creditors		1,754,915	220,484
Increase/(Decrease) in other		442,548	-
Increase/(Decrease) in provisions		408,229	-
Net cash used in operating activities		(1,807,116)	-

(iii) Non-cash investing activities

(a) On the 6 February 2002, Boom Logistics acquired equipment in the following companies from a mixture of share issues and hire purchase financing:

Purchase consideration:

Purchase consideration:	Alpha Cranes Pty Ltd (1)	Sutville Pty Ltd (2)	General Contractors Pty Ltd (3)	Fairbrother (WA) Pty Ltd	Cadilla Pty Ltd (4)	Uniway Pty Ltd (5)
Hire Purchase Financing	300,960	4,770,714	537,209	115,000	953,706	761,312
Shares issued	659,064	3,549,778	102,377	-	1,409,200	627,742
Total purchase price	960,024	8,320,492	639,586	115,000	2,362,906	1,389,054
Cost Value of net assets acquired:						
Equipment	2,067,791	7,210,815	805,119	115,000	3,889,330	3,225,741
Hire purchase Debt	(1,107,767)	(966,686)	(262,792)	-	(1,526,425)	(2,460,582)
Employee entitlements	(9,393)	(149,590)	-	-	(75,556)	(52,851)
Goodwill on acquisition	9,393	2,225,953	97,259	-	75,557	676,746
	960,024	8,320,492	639,586	115,000	2,362,906	1,389,054

(1) 3,295,321 shares issued at $0.20
(2) 17,748,890 shares issued at $0.20
(3) 511,883 shares issued at $0.20
(4) 7,045,998 shares issued at $0.20
(5) 3,138,708 shares issued at $0.20

(b) During the year Boom Logistics also entered into a number of hire purchase contracts for equipment totalling $381,044

(c) During the year Boom Logistics also financed a crane through a loan from Sutville Pty Ltd of $285,216.

The above Statement of Cash Flow is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2002

1. Statement of Significant Accounting Policies

The financial report is a general-purpose financial report, which has been drawn up in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views and the Corporations Act 2001.

a) Basis of Accounting

The financial report has been prepared on the historical cost basis except where stated.

The financial report has also been prepared on a going concern basis.

b) Recoverable amounts

The carrying amounts of non-current assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets. The expected net cash inflows included in determining the recoverable amounts have not been discounted to their present values.

c) Revenue recognition

i) Rendering of Services
Revenue from the sale of goods is recognised upon the delivery of goods to customers.

ii) Interest Revenue
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

d) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax revenue is based on the loss from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting loss and taxable income, are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

e) Receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

f) 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. The recoverable amount is assessed on the basis of expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The useful life for each class of depreciable asset is:

Class of Fixed Asset	**Useful Life**
Mobile Cranes	10 -20 Years
Tower Cranes	20 Years
Tower Sections/Frames	20 Years
Ancillary Equipment	10 Years
Shiftleg Derricks	20 Years
Vehicles	5 Years
Office Equipment	10 Years
Computer Equipment	3 Years
Workshop Equipment	10 Years

On disposal of an item of property, plant and equipment the difference between the sales proceeds and the carrying amount of the asset at the time of the disposal is recognised as income or an expense.

g) Intangibles

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net tangible assets at the date of acquisition. Purchased goodwill is amortised on a straight line basis over the period of 20 years. The balance is reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

h) Accounts payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

i) Hire Purchase

Hire purchase interest is charged or credited to the statement of financial performance.

j) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowing's, amortisation of ancillary costs incurred in connection with arrangement of borrowing's and lease finance charges. Borrowing costs are expensed as incurred 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.

k) Borrowing's

Borrowing's are recognised in the financial statements on the basis of the nominal amounts outstanding at the balance date plus accrued interest.

l) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property, without transferring the legal ownership, and operating leases under which the lessor effectively retains substantially all the risks and benefits.

Operating lease payments are charged to expenses on a basis which is representative of the pattern of benefits derived from the leased property.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are depreciated over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

m) Employee entitlements

The following liabilities arising in respect of employee entitlements are measured at their nominal amounts:

i) wages and salaries and annual leave regardless whether they are expected to be settled within twelve months of balance date.

ii) other employee entitlements which are expected to be settled within twelve months of balance date.

All other employee entitlements, including long service leave, are measured at the present value of the estimated future cash outflows in respect of services provided up to the balance date. Liabilities are determined after taking into consideration the estimated future increase in wages and salaries and past experience regarding staff departures.

n) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes of presentation in 2002.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2002

	2002	2001
	$	$

2. Revenues from Ordinary Activities

Sales Revenue		
Rendering of services	7,441,669	-
	7,441,669	-
Interest from:		
Interest	26,334	-
Other revenue	4,729	-
	31,063	-

3. Loss from Ordinary Activities

The following items have been recognised in the operating loss before income tax:

Expenses:		
Cost of Services	4,874,588	-
Borrowing Costs	510,954	-
Depreciation of non current assets	440,306	-
Amortisation of goodwill	51,415	-
Bad debts written off	51,415	-

4. INCOME TAX

The prima facie tax on operating (loss) differs from the income tax expense as follows:

Prima facie tax on operating (loss) calculated at 30% (2001: 34%)	(223,013)	68,143
Add/(deduct) tax effect of:		
Non deductible items	49,364	-
Increase(Decrease) in PDIT or (Increase)/Decrease in FITB due to		
- Recognition of prior year losses previously not considered virtually certain	(60,127)	-
- prior year losses not recognised as being virtually certain	-	(68,143)
Income tax expense/(revenue)	(233,776)	-
Future income tax benefit	455,588	-
Provision for deferred income tax	221,813	-

The future income tax benefits recognised above will only be obtained if:

a) The company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised,
b) The company continues to comply with the conditions for deductibility imposed by tax legislation, and
c) There are no changes in tax legislation adversely affecting the company in realising the benefit from deductions for the loss.

	2002 $	2001 $
5. Accumulated Losses and Total Equity		
Accumulated Losses		
Accumulated losses at the beginning of the financial year	(200,422)	-
Net loss attributable to members of the company	(509,599)	(200,422)
Accumulated losses at the end of the financial year	(710,021)	(200,422)
Total Equity		
Total equity at the beginning of the financial year	(194,818)	-
Total changes in equity recognised in the Statement of financial performance	(509,599)	(200,422)
Transactions with owners as owners: Contribution of equity	639,357	5,604
Shares issued to acquire equipment (refer to Statement of cash flows note (iii))	6,348,161	-
Less transactions costs arising on the issue of Equity instruments recognised directly in equity	(17,556)	-
Total equity at the end of the financial year	6,265,545	(194,818)
6. Receivables		
Current		
Trade accounts receivable	4,087,485	-
Total current receivables	4,087,485	-
7. Inventories		
Fuel	14,899	-
Total inventories	14,899	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002

	2002 $	2001 $
8. Other Assets		
Current		
Prepayments	79,718	-
GST receivable	-	20,062
Total other current assets	79,718	20,062
9. Plant and Equipment		
Plant and equipment at cost	18,769,043	-
Accumulated depreciation at cost	(438,668)	-
Net carrying amount of plant and equipment	18,330,375	-
Movements during the year:		
Beginning of the financial year	-	-
Additions	18,769,043	-
Disposals	-	-
Depreciation expense	(438,668)	-
End of the financial year	18,330,375	-
10. Intangible Assets		
Goodwill	3,084,906	-
Accumulated Amortisation	(51,415)	-
	3,033,491	-
Formation expenses	66,856	-
Total net intangible assets	3,100,347	-
11. Payables		
Current		
Trade accounts payable	1,975,379	13,048
Accrued liabilities	-	156,036
Non trade accounts payable due to Director related entity	-	51,380
	1,975,379	220,464

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2002

	2002 $	2001 $
12. Interest Bearing Liabilities		
Current Secured		
Loan – Sutville (2)	313,737	-
Chattels Mortgage (1)	343,509	-
Hire purchase liability (1)	2,696,834	-
Less unexpired charges	(1,084,728)	-
Total current interest bearing liabilities	2,269,352	-
Non Current Secured		
Chattels mortgage (1)	2,647,447	-
Hire purchase liability (1)	15,503,644	-
Less unexpired charges	(2,729,129)	-
Total non current interest bearing liabilities	15,421,962	-

(1) All hire purchase and chattels mortgage liabilities are secured by a first registered mortgage over the whole of the assets and undertakings of Boom Logistics Ltd and a guarantee and indemnity for $13,000,000. A full and unlimited indemnity is provided by C. Hebiton, T. Hebiton, F. Legana and I. Hassell, with D. Williams, W. Healy and G. Morgan being limited to their respective shareholdings.

(2) The Sutville loan is secured by ownership of the Favalle 230D tower crane, climbing frame and 22 tower sections.

13. Provisions		
Current		
Employee entitlements	391,686	-
Other provisions	16,543	-
Total current provisions	408,229	-
Number of full time equivalent employees at year end	75	-

14. Other Liabilities		
Unsecured Current		
Wages Clearing	7,292	-
Accrued Charges	82,972	-
GST Suspense Account	7,288	-
GST Liability	186,721	-
Provision for PAYG Withholding	158,275	-
	442,548	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002

	2002 No	2001 No	2002 $	2001 $
15. Contributed Equity				
Ordinary Shares				
Fully Paid				
Ordinary Shares of $1	3	3	3	3
Ordinary Shares of $0.001	5,601,319	5,601,319	5,601	5,601
Ordinary Shares of $0.40	6,393,584	-	639,357	-
Ordinary Shares of $0.20	31,740,800	-	6,348,161	-
Transaction costs arising on the issue of equity instruments recognised directly in equity			(17,556)	-
			6,975,566	5,604
Ordinary Shares				
Unpaid Capital				
6,393,584 $0.40 ordinary shares paid up to $0.10, the uncalled amount is $0.30 totalling $1,918,075			-	-
			-	-

16. Commitments for Expenditure

Hire Purchase
The company has various cranes on hire purchase arrangements. All hire purchase contracts are for a period of 36 to 60 months.

	2002 $	2001 $
Not later than one year	2,696,834	-
Later than one year but not later than 5	15,503,644	-
Less: Unexpired charges	(3,813,857)	
	14,386,621	-
Hire Purchase		
Current (note 12)	1,612,106	-
Non Current (note 12)	12,774,515	-
Total hire purchase	14,386,621	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002

	2002 $	2001 $
Operating Leases		
Minimum lease payments under non cancellable operating leases for premises according to the time expected to elapse to the expected date of payment		
Not later than one year	435,000	-
Later than 1 year but not later than 5 years	2,009,000	-
Later than 5 years	725,000	-
	3,169,000	-

17. Directors Remuneration and Retirement Benefits

Directors' Remuneration:

	2002	2001
Aggregate of income paid or payable or otherwise made available: to all directors of the company or any related parties	$146,808	-

Number of directors whose income from the company or any related parties was within the following bands:

			No.	No.
$0	-	$9,999	4	3
$30,000	-	$39,999	1	-
$50,000	-	$59,999	2	-

The names of directors who have held office during the financial year are:

Colin G L Hebiton
Terrance A Hebiton
William P Healy
Frank A Legena
Iain R Hassell
Douglas E Williams
Roderick G Harmon

Retirement and Superannuation Payments:

	2002	2001
Amounts of a prescribed benefit given during year by the company or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2002

18. Related Party Transactions

During the year an interest free loan totalling $627,973 was provided by Deckchair Partnership, of which T.Hebiton is a Partner. This loan has been subsequently repaid by Boom prior to year end.

During the year an interest free loan totalling $313,650 was provided by Oldmack Pty Ltd, of which B.Healy is a Director. This loan has been subsequently repaid by Boom prior to year end.

Toman Trust, of which T.Hebiton holds a beneficial interest, provided consulting services on normal commercial terms to the value of $437,109 during the year.

Deckchair Partnership, of which T.Hebiton is a Partner, provided office services on normal commercial terms to the value of $14,000 during the year.

Doug Williams is a landlord of one of the premises leased by the Victorian branch on normal commercial terms.

Doug Williams is the owner of a crane hired to Boom during the year on normal commercial terms.

Doug Williams provided a loan through Sutville to Boom, currently recorded at $313,737 as at 30 June 2002.

Directors Interests

The following table sets out each Directors relevant interest in shares and options of the company as at the date of this report:

Director	***Options***	***Ordinary Shares***
Colin G L Hebiton (3)	-	933,554
Terrance A Hebiton (2 & 3)	-	1,757,384
William P Healy (6)	-	3,514,766
Frank A Legena (5)	-	784,677
Iain R Hassell(4)	-	7,990,227
Douglas E Williams(1)	-	18,260,773
Roderick G Harmon	-	-

(1) Includes 3,000,000 shares held by Jean Williams, 511,883 shares held by General Contractors Services Pty Ltd, 2,000,000 shares held by Mogador Pty Ltd and 9,748,890 shares held by Sutville Pty Ltd.
(2) Includes 823,830 shares held by Alpha Cranes Pty Ltd
(3) Includes 933,553 shares held in partnership between C & T Hebiton
(4) Includes 7,045,998 shares held in Cadilla Pty Ltd
(5) Includes 784,677 shares held in Uniway Pty Ltd
(6) Includes 3,514,765 shares held in Alpha Cranes Pty Ltd and Oldmack Pty Ltd

	2002	2001
	$	$
19. Auditors Remuneration		
Auditor of the company		
Audit	15,000	2,000
Other services	10,000	3,716
	25,000	5,716

20. Financial Instruments

a) Terms, conditions and accounting policies

i) Financial assets

Instruments	***Accounting Policies***	***Terms & Conditions***
Cash	All cash is carried at nominal amounts. Interest is recognised as revenue as it accrues.	All cash is available 'at call'.
Receivables, trade	Trade receivables are carried at nominal amounts.	Receivables are received in accordance with company credit terms of 30 days.

ii) Financial liabilities

Instruments	***Accounting Policies***	***Terms & Conditions***
Payables	Liabilities are recognised for amounts to be paid in the future for goods and services, whether or not billed to the company.	Account payables are normally settled on 30-day terms.
Hire Purchase	Hire purchase interest is charged or credited to the statement of financial performance.	The hire purchase contracts are for a period of 36 to 60 months.
Mortgage Chattels	Mortgage chattels interest is charged or credited to the statement of financial performance.	The mortgage chattels contracts are for a period of 60 months.
Borrowing's	Borrowing's are carried at the nominal amount of funds outstanding.	There are no fixed terms of repayment. The loan is interest free and secured via a tower crane.

b) Interest Rate Risk

Exposure to interest rate risks on financial assets and liabilities are summarised as follows:

	Floating interest rate 2002	Fixed Interest Rate <1yr 2002	Fixed Interest Rate 1-5yrs 2002	Non-interest bearing 2002	Carrying amount per statement of financial position 2002	Weighted average effective interest rate 2002
i) Financial Assets						
Cash	934,113	-	-	2,303	936,416	3.1%
Receivables	-	-	-	4,087,484	4,087,484	-
Total financial assets	934,113	-	-	4,089,787	5,023,900	-
ii) Financial liabilities						
Payables	-	-	-	1,975,379	1,975,379	-
Interest bearing liabilities	-	2,269,352	15,421,962	-	17,691,314	8.2%
Total financial liabilities	-	2,269,352	15,421,962	1,975,379	19,666,693	-

	Floating interest rate 2001	Non-interest bearing 2001	Carrying amount per statement of financial position 2001	Weighted average effective interest rate 2001
iii) Financial Assets				
Cash	-	5,584	5,584	-
Receivables	-	20,062	20,062	-
Total financial assets	-	25,646	25,646	-
iv) Financial liabilities				
Payables	-	220,464	220,464	-
Total financial liabilities	-	220,464	220,464	-

21. Segment Reporting

Industry Segments
The company operates in the crane hire industry

Geographical Segments
The company operates in Australia only

22. Events Subsequent to Reporting Date

The company has embarked on a growth path post 30 June 2002 and has commenced negotiation with 3 companies in Australia.

DIRECTORS' DECLARATION

In the opinion of the directors of Boom Logistics Limited:

a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with the accounting standards and give a true and fair view of the company's financial position as at 30 June 2002 and of its performance for the year ended on that date.

b) at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:

Director ....
Colin G L Hebiton

Director ....
Terrance A Hebiton

Dated this 31st day of ~~November~~ OCTOBER 2002

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

BOOM LOGISTICS LTD
A.B.N. 28 095 466 961

Scope

We have audited the financial report of Boom Logistic Limited for the financial year ended 30 June 2002 as set out on pages 8 to 24. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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 company's financial position as at 30th June 2002 and of its performance for the year ended on that date; and

ii) complying with Accounting Standards in Australia and the Corporation Regulations 2001; and

(b) other mandatory professional report requirements in Australia.

PKF

PKF
Chartered Accountants
(Western Australian Partnership)

IAN P OLSON
Partner
Dated at Perth this 31st day of October 2002.

BOOM LOGISTICS LTD
(formerly THE AUSTRALIAN CRANE COMPANY LTD)
A.B.N. 28 095 466 961

FINANCIAL REPORT
FOR THE PERIOD ENDED
30TH JUNE 2001

BOOM LOGISTICS LTD

A.B.N. 28 095 466 961

CONTENTS

BOOM LOGISTICS LTD

CORPORATE DIRECTORY

Directors
Colin G L Hebiton
Terrance A Hebiton
William P Healy

Company Secretary
Terrance A Hebiton

Registered Office
Pascoe Hudson Broom & Blythe Pty.
Certified Practising Accountants
Unit 7, 3rd floor
643 Murray Street
WEST PERTH WA 6005

Principle Place of Business
Boom Logistics Ltd.

Unit 1
160 Marine Parade
COTTESLOE WA 6011

Company Number
ABN 28 095 466 961

Auditors
PKF Chartered Accountants
7th Floor, BGC Centre
28 The Esplanade
PERTH WA 6000

Country of Incorporation
Australia

Company Domicile and Legal Form
Boom Logistics Limited is an Australian Company – limited by shares

The Directors present the following report for the period ended 30 June 2001.

Review of operations and results of operations

- The operating loss for the period ended 30 June 2001 was $200,422.
- The company was formed to act as the vehicle to integrate established private companies involved in mobile and tower crane hire and agencies for crane sales throughout Australia.
- During the financial period, the company progressed through the initial stages of the integration.

Significant changes in the state of affairs

There has not been any significant change in the state of affairs of the company during the period.

Principal activities

The principle activity of the company during this financial period was the initial stage of integration of the companies involved in the crane industry.

Events subsequent to reporting date

Subsequent to period end, the company has entered into option agreements to purchase six companies involved in the crane industry.

Likely future developments and expected results

The amalgamation of a number of well established crane companies is expected to bring about benefits including increased market share and profitability via economies of scale and operational and administration efficiencies.

Dividends

The directors of Boom Logistics Limited do not recommend the payment of a dividend and no dividends have been paid or declared since the commencement of the period.

Directors

The following served as directors of the company during the period:

Name of Director	*Period of appointment*	*No. of meetings held while a Director*	*No. of meetings attended as a Director during the period ended 30 June 2001*
Colin G L Hebiton	(appointed 22/12/00)	8	8
Terrance A Hebiton	(appointed 22/12/00)	8	8
William P Healy	(appointed 22/12/00)	8	8

Information on Directors

Colin G L Hebiton is also a Director of Stockman Holdings Pty Ltd, Reefside Enterprises Pty Ltd, Hazdon Holdings Pty Ltd and Corkney Holdings Pty Ltd.

Experience: Colin commenced his career in the rural sector along with Jack and they have been partners for all of their commercial careers. He has a wide range of experience in many industry sectors.

Terrance A Hebiton is also a Director of Stockman Holdings Pty Ltd, Reefside Enterprises Pty Ltd, Alpha Cranes Pty Ltd, Hazdon Holdings Pty Ltd and Corkney Holdings Pty Ltd.

Experience: Terrance has worked in partnership with Colin Hebiton for many years. He commenced his career in the rural sector and he has also been involved in land and property rental developments. In the late 1990s he was managing director of a construction company and he is currently a principal in Alpha Crane Hire.

William P Healy is also a Director of Wyville Holdings Pty Ltd, Oldmack Pty Ltd, Alpha Cranes Pty Ltd, Bracken Ridge Holdings Ltd, AVH Management Pty Ltd, Amadeus Holdings Ltd, Orondo Pty Ltd and Oro Farm Pty Ltd.

Qualifications: Bachelor of Commerce

Experience: William was a founding executive of Australia's largest master trust and helped develop the organisation to hold $4 billion of funds under management in 1995. He has extensive experience in business development and strategic planning.

Environmental Performance

The company's policy is to comply with all relevant legislation in respect of its activities. There has been no breach of environmental regulations throughout the period ended 30 June 2001.

Indemnification of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the company.

Signed in accordance with a resolution of directors:

CHebiton

Colin G L Hebiton

Terrance A Hebiton

Dated this 14 **day of** Dec 01 **.**

BOOM LOGISTICS LTD

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30TH JUNE 2001

	Note	2001 $
Revenues from ordinary activities		-
Expenses from ordinary activities	2	(200,422)
Loss from ordinary activities before income tax expense	3	(200,422)
Income tax expense relating to ordinary activities	4	-
Net loss from ordinary activities after income tax expense	5	(200,422)
Loss attributable to members of Boom Logistics Limited		(200,422)
Total changes in equity other than those resulting from transactions with owners as owners	5	(200,422)

The above statement of Financial Performance is to be read in conjunction with the attached notes.

BOOM LOGISTICS LTD

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2001

	Note	2001 $
CURRENT ASSETS		
Cash assets		5,584
Receivables	6	20,062
TOTAL CURRENT ASSETS		25,646
TOTAL ASSETS		25,646
CURRENT LIABILITIES		
Payables	7	220,464
TOTAL CURRENT LIABILITIES		220,464
TOTAL LIABILITIES		220,464
NET LIABILITIES		(194,818)
EQUITY		
Contributed equity	8	5,604
Accumulated losses	5	(200,422)
TOTAL EQUITY	5	(194,818)

The above statement of Financial Position is to be read in conjunction with the attached notes.

BOOM LOGISTICS LTD

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH JUNE 2001

	Note	2001 $
Cash Flows From Financing Activities		
Proceeds from issue of shares		5,584
Net cash provided by (used in) financing activities		5,584
Net increase (decrease) in cash held		
Cash at beginning of period		-
Cash at end of the period		5,584
		5,584

Notes to the Statement of Cash Flows

Reconciliation of Cash
For the purposes of the statement of Cash Flows, cash includes cash on hand and cash in banks. Cash at the end of financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash	5,584

Reconciliation of Net Cash provided by/used in Operating Activities to operating loss after Income Tax.

Operating profit (loss) after income tax	(200,422)
Changes in Assets and Liabilities:	
Increase (Decrease) in trade creditors	220,484
Decrease (Increase) in Receivables	(20,062)
Net Cash provided by/used in Operating Activities	(200,422)

The accompanying notes form part of these financial statements.

	2001 $

1 Summary of Accounting Policies

The financial report is a general purpose financial report, which has been drawn up in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views and the Corporations Act 2001.

a) Basis of accounting

The financial report has been prepared on the historical cost basis except where stated.

The financial report has also been prepared on a going concern basis.

b) Income tax

Income tax has been brought to account using a method of tax effect accounting whereby income tax expense for the period is calculated on the accounting loss after adjusting for items which, as a result of their treatment under income tax legislation, create permanent differences between that loss and the taxable income. The tax effect of timing differences which arises from the recognition in the accounts of items of revenue and expenses in periods different from those in which they are assessable or allowable for income tax purposes, are represented in the statement of financial position as "future income tax benefits" or "provision for deferred income tax", as the case may be at current tax rates. A future income tax benefit is only carried forward as an asset where realisation of the benefit can be regarded as being assured beyond reasonable doubt.

c) Receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

d) Payables

Payables represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

e) Comparative figures

The reporting period is from 22 December 2000 (date of incorporation) to 30 June 2001. This is the first financial year and there are therefore no comparative amounts.

2 Expenses from Ordinary Activities

Accountancy fees	10,949
Consultancy Fees	132,625
Legal Costs	38,171
Office Services	6,926
Travelling Expenses	11,751
	200,422

	2001 $
3 Loss from Ordinary Activities	
Loss from ordinary activities before income tax expense has been determined after:	
Expenses:	
Remuneration of auditor	2,000
4 Income Tax Expense	
The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:	
Prima facie tax payable on loss (calculated at 34%)	(72,152)
Current period losses net tax effected	72,152
Income tax expense attributable to:	
Loss from ordinary activities before income tax	-
5 Retained Profits	
Retained profits (accumulated losses) at the beginning of the financial period	-
Net profit attributable to members of the company	(200,422)
Retained profits(accumulated losses) at the end of the financial period	(200,422)
Total Equity	
Total equity at beginning of the financial period	-
Total changes in equity recognised in the statement of financial performance	(200,422)
Transactions with owners as owners:	
Contributions of equity	5,604
Dividends	-
Total equity at end of period	(194,818)
6 Receivables	
CURRENT	
Other debtors	20,062

	2001 $
7 Payables	
CURRENT	
Trade accounts payable	13,048
Accrued liabilities	156,036
Non-trade accounts payable	
Due to Director related entity	51,380
	220,464

8 Contributed Equity

	Number of Shares	
Shares on issue at the beginning of the period	-	-
Shares issued during the period		
3 Fully Paid Ordinary Shares	3	3
5,601,319 Fully Paid Ordinary Shares	5,601,319	5,601
Shares on issue on end of period	5,601,322	5,604

9 Events Subsequent to Reporting Date

Subsequent to period end, the company has entered into option agreements to purchase the assets and customer lists of six companies involved in the crane industry. It is expected that the purchases will proceed in the near future.

10 Auditors Remuneration

Audit of financial report	2,000
Other Services	3,716
	5,716

11 Remuneration and Retirement Benefits

Remuneration of Directors
Remuneration received or receivable by
All directors of the company:

From the company/related party in connection with management of the company: -

Number of directors whose income was within the following bands:

	Number
$0-$10,000	3

The names of directors who have held office during the financial period are:

Colin G L Hebiton
Terrance A Hebiton
William P Healy

	2001 $

Retirement Benefits

Amounts paid to a superannuation plan for the provision of retirement benefits by:

The company or any other related party for directors of the company	-

12 Segment Reporting

The company primarily operates in one geographical segment being Australia in the construction and mining industry.

13 Number of employees

There were no employees at period end.

14 Related party transactions

During the period, office services were provided by the Deckchair Partnership, of which Mr. Terrance A. Hebiton is a partner. An amount of $4,400 is included in trade accounts payable at 30 June 2001 for these services.

Shares acquired/held by directors	3,734,215

15 Financial Instruments

a) Terms, conditions and accounting policies

Instruments	*Accounting Policies*	*Terms & Conditions*
i) Financial assets		
Cash	All cash is carried at nominal amounts. No interest is paid on the balance.	All cash is available 'at call'.
Receivables, trade	Trade receivables are carried at nominal amounts.	Receivables are generally received in accordance with company credit terms of 30 days.
ii) Financial liabilities		
Payables	Liabilities are recognised for amounts to be paid in the future for goods and services, whether or not billed to the company.	Accounts payable are normally settled on 30-day terms.

2001
$

b) *Interest Rate Risk*

Exposure to interest rate risks on financial assets and liabilities are summarised as follows:

	Floating interest rate 2001	Non-interest bearing 2001	Interest bearing 2001	Aggregate net fair value 2001	Weighted average effective interest rate 2001
i) Financial Assets					
Cash	-	5,584	-	5,584	-
Receivables	-	20,062	-	20,062	-
Total financial assets	-	25,646	-	25,646	
ii) Financial liabilities					
Payables	-	220,464	-	220,464	-
Total financial liabilities	-	220,464	-	220,464	

16 Going Concern

Boom Logistics Limited was formed to act as the vehicle to integrate a number of established crane companies located throughout Australia. Since incorporation, Boom Logistics Limited has been progressing through its infancy and development stage as a company and has made a loss. As at December 2001, the company is continuing to make losses. Subsequent to period end, the company has entered into option agreements to purchase 6 companies involved in the crane industry as discussed in note 9. As these companies begin to be integrated and the company grows, it is expected to trade profitably. Accordingly, the ability of the company to continue as a going concern is dependent upon the company trading profitably in the future as well as obtaining necessary debt and equity funding to facilitate the execution of the option agreements.

BOOM LOGISTICS LTD

A.B.N. 28 095 466 961

DIRECTORS' DECLARATION

In the opinion of the directors of Boom Logistics Limited:

- the accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with the accounting standards and give a true and fair view of the company's financial position as at 30 June 2001 and of their performance for the period ended on that date.
- at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Director

14 · 12 · 01

Date

BOOM LOGISTICS LTD

A.B.N. 28 095 466 961

INDEPENDENT AUDIT REPORT

To the members of Boom Logistics Limited

Scope

We have audited the financial report of Boom Logistics Limited for the financial period ended 30 June 2001 as set out on pages 5 to 13. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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 company's financial position as at 30 June 2001 and of its performance for the period ended on that date; and

  ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 16, there is significant uncertainty whether Boom Logistics Limited will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Accordingly, the ability of the company to continue as a going concern is dependent upon the company trading profitably in the future and obtaining additional funding.

PKF

PKF

Chartered Accountants
(Western Australian Partnership)

IAN P OLSON

Partner
Signed at Perth, Western Australia, this 14th day of December 2001