Appendix 4E
for the year ended 30 June 2017

Bingo Industries Limited

ABN 72 617 748 231

Reporting period: 30 June 2017

Previous corresponding period: 30 June 2016

Results for announcement to the market

	30 June 2017 A$'000	30 June 2016 A$'000	Up/Down	% Change from year ended 30 June 2016
Revenue from ordinary activities	208,781	142,062	Up	47.0%
Profit from ordinary activities after tax attributable to members	19,834	13,653	Up	45.3%
Net Profit for the period attributable to members	19,834	13,653	Up	45.3%

Initial Public Offering and Corporate Reorganisation

Bingo Industries Limited (Company) was incorporated as a public company on 3 March 2017, and subsequently incorporated a wholly owned subsidiary, Bingo Property Pty Limited.

On 9 May 2017 the shareholders of the Company and Bingo Holdings Pty Limited and its controlled entities undertook a corporate reorganisation process to facilitate an Initial Public Offering ("IPO"). Consequently, the Company acquired the already operating Bingo Holdings Pty Limited and its controlled entities (Pre-IPO Bingo Group).

This corporate reorganisation does not represent a business combination in accordance with AASB 3 'Business Combinations', and the appropriate accounting treatment for recognising the new group structure is on the basis that the transaction is a form of capital reconstruction and group reorganisation. Accordingly the financial statements have been presented as a continuation of the Pre-IPO Bingo Group. As such, financial statements of the Group include the historical financial information of the Pre-IPO Bingo Group for the period before the acquisition. These financial statements include the financial results for the Group from acquisition to 30 June 2017 and the Pre-IPO Bingo Group for the period 1 July 2016 to the date of acquisition.

The comparative information presented in the financial statements represents the financial position of the Pre-IPO Bingo Group as at 30 June 2016, and the financial performance of the Pre-IPO Bingo Group for the year ended 30 June 2016.

Dividend information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2017 final dividend per share[1]	n/a	n/a	n/a

1. No dividend is payable with respect to the financial year ended 30 June 2017.

2017 final dividend dates	
Ex-dividend date	n/a
Record date	n/a
Payment date	n/a

Net tangible assets per security

	30 June 2017 Cents	30 June 2016 Cents
Net tangible assets per security	20.0	nm[2]

2. nm stands for not "meaningful".

Financial information

This report is based on the audited Bingo Industries Limited and Controlled Entities Consolidated Financial Report for the year ended 30 June 2017.

Other information required by Listing Rule 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the Bingo Industries Limited and Controlled Entities Consolidated Financial Report for the year ended 30 June 2017.

Bingo Industries Limited and Controlled Entities

ABN 72 617 748 231

CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Directors' Report

The Directors present their report together with the financial report of the consolidated entity, being Bingo Industries Limited ("the Company") and its controlled entities ("Bingo Industries", "Bingo" or "the Group"), for the financial year ended 30 June 2017.

Bingo Industries Limited was incorporated on 3 March 2017 and, following a reorganisation of the Group to facilitate an Initial Public Offering (IPO), is now the ultimate parent company of the Group, effective 9 May 2017. See "Significant Changes in the State of Affairs" for further detail of the reorganisation.

Directors

The name of the directors in office at any time during, or since the end of, the year are:

Michael Coleman	Independent Non Executive Director, Chair	(Appointed 22 March 2017)
Maria Atkinson AM	Independent Non Executive Director	(Appointed 22 March 2017)
Richard England	Independent Non Executive Director	(Appointed 22 March 2017)
Daniel Girgis	Non Executive Director	(Appointed 3 March 2017)
Daniel Tartak	Managing Director and Chief Executive Officer	(Appointed as Managing Director on 3 March 2017)
Anthony Story	Executive Director and Chief Financial Officer	(Appointed as Executive Director on 3 March 2017 and resigned as a Director on 22 March 2017)

The office of Company Secretary is held by Ron Chio, LPAB Diploma in Law, Graduate Diploma of Legal Practice (GDLP).

Principal Activities

The principal activities of the Group during the financial year were to provide waste management solutions for domestic and commercial business, operate state of the art recycling centres and the manufacture of bins.

No significant change in the nature of these activities occurred during the financial year.

Dividends

In respect of the financial year ended 30 June 2017, no dividends have been paid or declared.

In respect of the financial year ended 30 June 2016, as detailed in the directors' report for that financial year, a fully franked dividend of $18,000,000 was declared and paid being $1,636.36 per share.

Operating and Financial Review

- Total revenue and other income for the year was $209.7 million, up 46.6% on last year and 3.1% up on Prospectus forecast ("Prospectus" refers to the prospectus issued by the Company for the purpose of Chapter 6D of the Corporations Act 2001 (Cth) dated 24 April 2017 and lodged with ASIC on that date)
- Statutory net profit for the year was $19.8 million being an increase of $6.2 million, or 45.3% increase, on last year
- Pro forma EBITDA was $64.1 million being $762,000 greater than Prospectus forecast
- Pro forma net profit was $32 million being $886,000 greater than Prospectus forecast

During the year the Company undertook an initial public offer (IPO) and was admitted to the ASX on 3 May 2017. The statutory results are impacted by one off costs associated with the IPO. A reconciliation of the statutory to pro forma results is detailed on the next page.

FY17 financial highlights

	FY17 Statutory[1] Actual (audited) **$'000**	**FY17 Pro forma[1]** Actual (audited) **$'000**	**FY17 Pro forma Prospectus** **$'000**	**Variance Pro forma Actual to Prospectus**
Revenue and other income	209,689	209,689	203,424	3%
EBITDA[2]	**60,143**	**64,067**	**63,305**	1%
Capital raising costs	(13,625)	-	-	n/a%
Depreciation and amortisation	(13,182)	(13,592)	(13,380)	2%
EBIT[3]	**33,336**	**50,475**	**49,925**	1%
Net finance costs	(4,574)	(4,892)	(4,820)	1%
Profit before income tax	**28,762**	**45,583**	**45,105**	1%
Income tax expense	(8,928)	(13,589)	(13,997)	(3%)
Profit after income tax	**19,834**	**31,994**	**31,108**	3%
Key margins:				
EBITDA to revenue	28.7%	30.6%	31.1%	

Notes:

1. The use of the term 'Statutory' refers to financial information as detailed in these financial statements and 'pro forma' refers to non-statutory financial information. The pro forma financial measures included in the Directors Report have been calculated to exclude the impact of various costs and adjustments associated with the corporate reorganisation (Refer to Significant Changes in the State of Affairs for further details of the corporate reorganisation). These costs are set out on page 4. The Directors believe the presentation of the non-statutory financial measures is useful for the users of this financial report as they reflect the underlying financial performance of the business and can be directly compared to the forecasts given in the Prospectus issued on 24 April 2017. Given the change in structure of the business, comparison to the forecasts per the Prospectus is considered to be of more relevance than the comparative statutory financial information.
2. EBITDA represents profit before net interest, income tax, and depreciation and amortisation expense. EBITDA also excludes capital raising costs.
3. EBIT represents profit before net interest and income tax expense.

Operating and Financial Review (continued)

Reconciliation of statutory financial statements to pro forma actual results (audited)

A reconciliation of the 2017 statutory to pro-forma actual results is summarised as follows:

	Note	Sales $'000	EBITDA $'000	EBIT $'000	NPAT $'000
2017 statutory results		209,689	60,143	33,336	19,834
Public company costs	1		(2,051)	(2,051)	(2,051)
Capital raising costs	2			13,625	13,625
Prepayment amortisation	3		407	407	407
Rent reversal on IPO Properties	4		5,568	5,568	5,568
Depreciation on IPO Properties	5			(410)	(410)
Interest on debt	6				(317)
Pro forma tax adjustment	7				(4,662)
2017 pro forma results		**209,689**	**64,067**	**50,475**	**31,994**

Notes:

1. Public company costs represents the incremental costs of operating as a publicly listed company, inclusive of Directors' fees, production of annual reports, company secretarial and legal costs, annual listing fees and other costs. FY17 pro forma actual results includes incremental public company costs from the commencement of trading to 30 June 2017.
2. Capital raising costs incurred represent fees paid to advisers related to the IPO and will not be recurring. The group incurred total capital raising costs of $19.4 million in FY17, including $5.8 million which have been offset directly against equity.
3. As part of an acquisition made during FY15 the Group pre-paid a portion of consideration to the vendor which was linked to the vendors continued employment. As certain employment conditions are satisfied the prepayment is amortised and recognised as remuneration expense. The amount will be fully amortised by the financial year ending 30 June 2020.
4. IPO properties refers to land and buildings acquired from director related entities as part of the corporate reorganisation process. Rent on IPO Properties represents amounts paid for rent on properties that were acquired by the Group pursuant to the Offer and therefore will not be incurred in future periods.
5. Depreciation on the IPO Properties represents the depreciation of buildings contained on the properties that were acquired by the Group pursuant to the Offer, calculated from the date that Bingo commenced using each respective property at a depreciation rate of 2.5% per annum.
6. Interest on debt represents the estimated interest, calculated in accordance with the terms of the new banking facilities calculated as if that facility had been in place since 1 July 2016, adjusted on a pro rata basis for properties and businesses acquired by the Group.
7. Represents the income tax impact of the above pro forma adjustments, calculated at 30%.

Segment Result

The Group comprises two operating segments being Collections and Post Collections.

All other segments are reflected as "Other segments" on the basis that these are not considered reportable segments. The "Other segments" category mainly includes manufacture and supply of bins.

Operating and Financial Review (continued)

A description of the operating segments and a summary of the associated segment results for the year are set out below:

Collections	
Primary Business	Collection and transportation of building, demolition, industrial and commercial waste from customers to post-collection facilities.
Financial Indicators	Total revenue for the Collections segment of $121.8 million was broadly in line with prospectus forecasts and 30.8% increase over the prior year. EBITDA of $28.1 million was 36.9% above the prior year. Margin of 23.1% was 1% above the prior year.
Performance	Collections performed broadly in line with expectations in terms of revenue and margins compared to Prospectus forecasts. The various growth initiatives which are being implemented across the business and the investment in the fleet contributed to increased revenues during the year compared to the previous period.
Market review and priorities	Market conditions for Collections remained favourable with the NSW and Federal government commitment to infrastructure spend as well as a solid residential construction market. The market conditions for the 2018 financial year are not expected to vary materially from the 2017 financial year. Collections' main priorities in the 2018 year will be a continued focus on revenue growth and margin management through customer service and pricing, and to seek interstate opportunities.

Post Collections	
Primary Business	Consists of a network of ten resource recovery and recycling centres located in New South Wales. Bingo Recycling diverts waste from landfill by sorting and processing mixed waste received from customers to be reused, recycled or sent to other facilities to be further processed.
Financial Indicators	Total revenue for the Post Collections segment of $116.8 million was 7.2% above prospectus forecasts and a 70% increase over the prior year. EBITDA of $29.3 million was 115.2% above the prior year.
Performance	The Group increased its network of recycling and recovery centres and invested in new state of the art recycling plant at Minto and St Marys. This, together with the strong collection performance, has resulted in significant EBITDA growth and improvements in margins from 24.2% to 29.9%.
Market review and priorities	The market conditions for the 2018 financial year are not expected to vary materially from the 2017 financial year. Post Collections' main priorities in the 2018 year will be building on the investment in 2017, to further expand its processing capabilities and to seek interstate opportunities.

Operating and Financial Review (continued)

Principal risks
The material risks that could adversely impact the Group's financial prospects in future periods are activity in the waste management sector and regulatory environment.

Activity in the waste management sector (and geographical concentration)	The continued performance and future growth of the Group is dependent on continued activity and expansion in the New South Wales waste management sector and any new geographical markets in which the Group operates from time to time. The level of activity in the sector may vary and be affected by prevailing or predicted economic activity. There can be no assurance that the current levels of activity in the sector will be maintained in the future or that customers of the Group will not reduce their activities, capital expenditure and requirements for waste management services in the future. Any prolonged period of low growth in the waste management industry would be likely to have an adverse effect on the business, financial condition and profitability of the Group.
Regulatory environment	The Group may be exposed to changes in the regulatory conditions under which it operates in Australia and in particular New South Wales. Any changes required to be made to the business model of the Group as a result of any legislative or regulatory changes may result in a material loss of revenue for the Group and to the extent that fixed costs cannot be reduced and/or costs cannot be passed onto customers, could adversely impact the financial performance of the Group. The Environment Protection Authority NSW is considering certain proposed regulatory changes. Although at this early stage Management believes the Group is well placed to accommodate for these proposed regulatory changes, the final form of the legislation has not been made publicly available. Depending on its final form, there is a risk that this proposed legislation, if enacted, could have an adverse impact on the Group's forecasted earnings, expenses and profitability. The Group's recycling facilities and other premises have the benefit of approvals from Government authorities. These approvals may contain ambiguous conditions that require legal interpretation. There is a risk that the Group may incorrectly interpret the conditions of any such approvals. This may cause the Group to be at risk of adverse regulatory action by a Government authority which may result in a material adverse impact on the Group's forecasted earnings, expenses and profitability.

The Group manages these risks in accordance with *ASX Principle 7: Recognise and manage risk* as set out in the Corporate Governance Statement on the Company's website.

Financial Position Review

Net operating cash flow increased 65.8% (2016: increase of 8.7%) to $44.7 million (2016: $26.9 million). The Group's net assets have increased from $25.0 million to $124.0 million.

At balance date the Group had total bank financing facilities of $200.0 million (2016: $102.0 million).

Significant Changes in the State of Affairs

Corporate reorganisation
On 9 May 2017 the shareholders of the Company and Bingo Holdings Pty Limited and its controlled entities undertook a corporate reorganisation process to facilitate an Initial Public Offering ("IPO"). Consequently, the Company acquired the already operating Bingo Holdings Pty Limited and its controlled entities (Pre-IPO Bingo Group).

This corporate reorganisation does not represent a business combination in accordance with AASB 3 'Business Combinations', and the appropriate accounting treatment for recognising the new group structure is on the basis that the transaction is a form of capital reconstruction and group reorganisation. Accordingly the financial statements have been presented as a continuation of the Pre-IPO Bingo Group. As such, financial statements of the Group include the historical financial information of the Pre-IPO Bingo Group for the period before the acquisition. These financial statements include the financial results for the Group from acquisition to 30 June 2017 and the Pre-IPO Bingo Group for the period 1 July 2016 to the date of acquisition.

The comparative information presented in the financial statements represents the financial position of the Pre-IPO Bingo Group as at 30 June 2016, and the financial performance of the Pre-IPO Bingo Group for the year ended 30 June 2016.

The equity structure in the consolidated financial statements, including the number and type of equity instruments issued at the date of acquisition reflects the equity structure of the Company. A corporate reorganisation reserve is recognised to record the difference between the amount paid to acquire the Pre-IPO Bingo Group and the share capital of Bingo Holdings Pty Limited.

Acquisitions
During the financial year the Group also made several acquisitions to continue the expansion of the operating divisions.

Matters subsequent to the end of the financial year

On 29 August 2017, the Group announced that it will enter into the Victorian waste management market, with the acquisition of three waste management businesses located in the Melbourne metropolitan area. The businesses acquired are Konstruct Recycling, Resource Recovery Victoria, and AAZ Recycling, and associated entities. All businesses, including one parcel of land were acquired for a combined price of $38 million through existing debt facilities, with a three year call option to purchase an additional property for $7 million.The initial accounting for the business combination is incomplete at the time the Group's financial statements were authorised for issue, and accordingly details of the financial effect of the business combination have not been disclosed.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Group expects the results in future to grow, largely driven by its strategy to provide a differentiated approach to waste management and its investment in recycling infrastructure and collections capacity. This approach is centred on targeting a high level of service, supported by scale efficiencies, internally developed customer management technology, a strategic network of resource recovery and recycling infrastructure and vertical integration across waste collection, separation, processing and recycling. The Group expects earnings growth and cash flows to continue as a result of continued organic growth across its diversified customer base; recent and ongoing investment across its network to expand operational capability and geographical reach.

Additional comments on the operations of the Group, its strategies and prospects are set out in the Operating and Financial Review on pages 3 to 6 of this Annual Report.

Environmental regulation

The Group is subject to significant environmental regulation under Australian Commonwealth or State law and holds environmental licences for its sites.

The Group is committed to achieving the highest standards of environmental performance. There were no material breaches of environmental statutory requirements and no material prosecutions during the year.

Information on Directors

The following information is current as at the date of this report.

Name	Particulars
Michael Coleman *Chairman* *Non Executive Director* *FAICD, FCA, FCPA* Member of the Nomination and Remuneration Committee Member of the Continuous Disclosure Committee	A senior audit partner with KMPG for 30 years with significant experience in risk management, financial and regulatory reporting and corporate governance. Currently a Non-Executive Director and Chairman of the Audit Committee at Macquarie Group Limited, a member of the Reserve Bank of Australia's Audit Committee, Board Member of the Australian Institute of Company Directors and a Director and Chair of the Audit Committee of Legal Aid NSW. An experienced Director and Chairman, a pragmatic risk manager and governance expert, other current roles include Adjunct Professor, University of New South Wales, Chairman of Planet Ark Environmental Foundation, a member of the Board of Governors of the Centenary Institute and Board member of the Belvoir St Theatre Foundation.
Maria Atkinson AM *Non Executive Director* *BAppSc, GAICD* Chair of the Nomination and Remuneration Committee Member of the Audit and Risk Committee	Experienced and internationally recognised sustainability strategist with numerous corporate roles including Global Head of Sustainability and Executive for Lend Lease and in the not-for profit sector as Founding Chief Executive Officer of the Green Building Council of Australia. Currently advises private and public sector clients through Maria Atkinson Consultancy and is the Central District Commissioner for the Greater Sydney Commission leading strategic planning for the city. Holds a number of Non-Executive Director positions including Board positions at the LafargeHolcim Foundation for Sustainable Construction (Switzerland) and the Ethics Centre Board and Foundation (Australia), amongst others, and is a graduate of the Australian Institute of Company Directors.
Richard England *Non Executive Director* *FCA MAICD* Chair of the Audit and Risk Committee Member of the Nomination and Remuneration Committee	Currently Chairman of QANTM Intellectual Property Limited and Non-Executive Director of Macquarie Atlas Roads Limited, Nanosonics Limited and Japara Healthcare Limited. 15 years of experience at Ernst & Young, mostly in the Corporate Recovery and Insolvency division, was a partner from 1988 to 1994 and an executive consultant from 1994 to 2003. Member of the Australian Institute of Company Directors.

Information on Directors (cont.)

Name	Particulars
Daniel Girgis *Non Executive Director* *CFA* Member of the Audit and Risk Committee	Managing Director of Kaz Capital, an Australian investment advisory firm. An actuary who was previously acting Chief Financial Officer of the Pre-IPO Bingo Group. Instrumental in the restructure of the business and its growth, providing valuable strategic direction as the Group has expanded organically and through acquisitions.
Daniel Tartak *Managing Director and Chief Executive Officer* Member of the Continuous Disclosure Committee	Daniel has experience across all areas of the business including in leadership roles as the Operations Manager, General Manager and (from July 2015) Chief Executive Officer. He was integral in the Group's implementation of its IT Systems (including Bingo Live) and creating an inspirational culture, all of which has enabled the Group to differentiate itself. He was the driving force behind Bingo's recent growth and acquisition strategy as it built its bespoke recycling centres and expanded across NSW and into commercial, industrial and liquid waste and waste equipment manufacturing.

Particulars of Directors qualifications, experience and special responsibilities can also be found on the Company's website.

Directors' Report (continued)

Directors' Meetings

The number of Directors' meetings and Committee meetings, and the number of meetings attended by each of the Directors who was a member of the Board and the relevant Committee, during the financial year were:

	Board Meetings		Audit and Risk Committee		Nomination and Remuneration Committee [4]		Continuous Disclosure Committee	
	Meetings Held While a Director	Number Attended	Meetings Held While a Director	Number Attended	Meetings Held While a Director	Meetings Held While a Director	Meetings Held While a Director	Number Attended
Directors								
Michael Coleman[1]	4	4			-	-	2	2
Maria Atkinson AM[3]	4	4	1	1	-	-		
Richard England[2]	4	4	1	1	-	-		
Daniel Girgis	4	3	1	1				
Daniel Tartak	4	4					2	2
Anthony Story	1	1					2	2

1 Chair of the Board.
2 Chair of Audit and Risk Committee.
3 Chair of Nomination and Remuneration Committee.
4 First meeting for Nomination and Remuneration Committee was held in July 2017.

Directors' Interests

The relevant interest of each Director in the shares and performance rights over such issued by Bingo Industries Limited, as notified by the Directors to the Australian Securities Exchange in accordance with section 205G(1) of the Corporations Act 2001, as at 30 June 2017 is as follows:

Directors	Ordinary Shares	Performance Rights over Ordinary Shares
Michael Coleman	83,333	-
Maria Atkinson AM	27,777	-
Richard England	44,444	-
Daniel Girgis	-	55,555
Daniel Tartak	59,573,723	183,333

Shares under option

During the financial period ended 30 June 2017 and up to the date of this report, no options were granted over unissued shares. As at the date of this report there are no unissued ordinary shares of the company under option.

Details of performance rights granted under the short term incentive plan and long term incentive plan offers in the 2017 financial period are set out in the Remuneration Report. Total performance rights outstanding as at 30 June 2017 are 1,549,739 (2016: Nil). Performance rights outstanding at the date of this report are 1,549,739.

Shares issued on the exercise of performance rights

During the financial period ended 30 June 2017 and up to the date of this report, the Company issued Nil shares as a result of the exercise of performance rights that vested during the year (2016: Nil).

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 31 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Directors are of the opinion that the services as disclosed in Note 31 to the financial statements do not compromise the external auditor's independence, based on advice received from the audit committee, for the following reasons.

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 23.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Coleman
Non-Executive Director and Chair

Daniel Tartak
Managing Director and Chief Executive Officer

29 August 2017
Sydney

Remuneration Report (audited)

The family business that founded Bingo Industries has created a strong culture with an underlying values set and philosophy tied to its history. Employees, customers and supply chain being part of the growth journey, have all played a key role in the success of Bingo Industries. Participation in the journey has included sharing in rewards, both financial and non-financial that Bingo Industries has earned. This is an important component of continuing to grow the Bingo culture of collaboration and continuous learning - where successes are recognised and people are rewarded.

The Bingo Industries employee share-ownership plan and profit-sharing rewards program reflects this organisational culture. The Board has supported a remuneration strategy that empowers our employees to take ownership and deliver strategies and initiatives that continuously improve the way we operate. Ensuring that efforts are aligned, the Key Performance Indicators reflect the desired economic, environmental, safety, people and culture objectives for the organisation and are cascaded to the individual contributor level connecting our employees to the overarching goals of the organisation.

The Directors are pleased to present the Company's Remuneration Report for the year ended 30 June 2017 prepared in accordance with the Corporations Act 2001.

The Board recognises the significant contribution of all the Group's employees in achieving this year's results, which, as detailed in the Operating and Financial Review, has exceeded the Prospectus pro forma EBITDA forecast and congratulates all employees for their achievements this year.

The Remuneration Report outlines the remuneration strategy, framework and conditions of employment for Directors and other Key Management Personnel (KMP) of the Group.

The purpose of the Group's remuneration strategy is to attract, appropriately reward, incentivise and retain high calibre employees. At the executive level, the Board aims to achieve this through an appropriate mix of fixed, short-term and long-term incentives, linked to the performance of the Group and incorporating specific individual objectives.

The underlying framework is to ensure a close alignment between shareholders' interests and executive incentive awards, with executives rewarded for the delivery of superior financial performance. The Board is of the opinion that this alignment is being achieved.

The Group's remuneration policy for executive KMP comprises:

- A fixed component consisting of a base salary, superannuation contributions and, where relevant, other related allowances; and
- A performance based, variable 'at risk' component comprising short-term incentives (STI) and equity-based longer-term incentives (LTI).

Remuneration Report (audited) (continued)

Key Management Personnel

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling activities of the Group, including the Directors (whether executive or otherwise) of the Company.

Directors	Position
Michael Coleman	Non Executive Director, Chair
Maria Atkinson AM	Non Executive Director
Richard England	Non Executive Director
Daniel Girgis	Non Executive Director
Daniel Tartak	Managing Director and Chief Executive Officer

Executive KMP	Position
Anthony Story	Chief Financial Officer

Remuneration Governance

The Nomination and Remuneration Committee is a committee of the Board and assists the Board in fulfilling its responsibilities relating to the remuneration of Directors and Executive KMP, organisational remuneration practices, incentives, and strategies. The Chief Executive Officer is both a Director and Executive KMP.

It is imperative that the Nomination and Remuneration Committee is independent of management when making decisions affecting employee remuneration. Accordingly, the Nomination and Remuneration Committee is comprised solely of Non-Executive Directors, all of whom are independent.

A critical objective of the Nomination and Remuneration Committee is to ensure that remuneration policies and practices are fair, competitive and aligned with the long-term interests of the Group. In doing so, during the year the Nomination and Remuneration Committee sought expert assistance from independent remuneration consultants, Egan Associates.

The Corporate Governance Statement on our website provides further information on the role of the Nomination and Remuneration Committee.

Non Executive Director Remuneration

The remuneration of Non-Executive Directors is determined taking the following into consideration:

- the level of fees paid to Board members of comparable publicly listed Australian companies;
- operational and regulatory complexity; and
- the responsibility and workload requirements of each Board member.

Non-Executive Directors do not receive performance or incentive based pay. Nor do they receive lump sum retirement benefits. However, to promote further alignment with shareholders, the Non-Executive Directors are encouraged to hold shares in the Company.

The annual Non-Executive Directors' fee agreed to be paid by the Company to:

- the Independent Chair is $175,000; and
- each of the other Non-Executive Directors is up to $120,000.

The total amount payable to Non-Executive Directors has been set at $1 million.

Executive Remuneration

The Group's executive remuneration strategy is designed to attract, retain and motivate a highly qualified and experienced management team with the necessary capabilities and attributes to lead the Group in achieving its business objectives. The strategy also aims to encourage management to strive for superior performance by rewarding the achievement of targets that are both financial and non-financial, challenging, clearly understood and within the control of individuals to achieve through their own actions.

The objective of the Group's executive remuneration framework is to ensure that remuneration for holistic performance is competitive and appropriate for the results delivered. The framework aligns executive remuneration with market practice, achievement of strategic objectives and the creation of value for shareholders.

The components of the executive remuneration provide a mix of fixed and variable (at risk) pay and short and long term incentives. The aim of the strategy is to reward executives in line with market practice, taking into account their position, responsibilities and performance within the Group.

Remuneration Report (audited) (continued)

Executive Remuneration (cont.)

Fixed Remuneration

Fixed remuneration consists of a base salary, superannuation contributions and, where relevant, other related allowances. Fixed remuneration is not at risk and is benchmarked against comparable roles in the market based on responsibilities, skills and experience. Fixed remuneration is reviewed annually.

Short Term Incentives (STI)

STIs are a variable “at risk” opportunity linked to achieving specific objectives in a given year. It is designed to incentivise employees to achieve and exceed annual targets that contribute to building enterprise value. Targets are communicated at the start of the STI period as part of a balanced scorecard approach that encompasses both financial and non financial performance metrics. Each component of the balanced scorecard is assessed individually to determine the STI amount payable. The components include:

- Achievement of Group metrics (financial)
- Achievement of Individual Business Unit metrics (financial)
- Individual Performance Reviews (culture, engagement, values, operational excellence)
- Environmental metrics (lead and lag indicators)
- Safety metrics (lead and lag indicators)

The mix and weighting of the balanced scorecard components will vary according to the type and level of role of the particular role that the employee occupies.

The STI will be paid as follows:

- 50% of the total STI award will be paid in cash shortly after the end of the relevant financial year; and
- 50% of the total STI award will be paid in the form of performance rights granted under the Equity Incentive Plan with the full vesting of those rights deferred for up to two years and subject to the employee remaining employed with the Group until the vesting date.

No STI have been granted in the year ended 30 June 2017. The Company will issue STI as part of the 30 June 2018 remuneration plan.

Each employee considered for an STI will be advised of their target STI award and the level of achievement that needs to be met to receive that target award. The employees will also be advised of a maximum STI award amount and the corresponding level of achievement required to receive the maximum STI award.

Transactional bonus

A transactional bonus was paid during the year following the completion of the IPO. 50% was paid in cash with the remaining 50% paid in the form of performance rights granted under the Equity Incentive Plan. The vesting of those rights was deferred for two years and subject to the executive remaining employed with the Group until the vesting date.

The fair market value of the performance rights is $1.80, which reflects the share price on float of the Company. The rights were issued on the grant date of 13 April 2017.

Remuneration Report (audited) (continued)

Executive Remuneration (cont.)

Long Term Incentives (LTI)

Senior executives (including KMP) will be entitled to receive an annual LTI which will initially be paid in the form of performance rights granted under the Equity Incentive Plan (EIP).

The grant of LTI awards is designed to encourage alignment of interests of Bingo's executives with those of Shareholders. The performance hurdles to which the performance rights granted as LTI awards will be reviewed annually by the Board. Initially, the performance hurdles will relate to the Group's earnings per share growth and relative total shareholder return.

The proportion of an executive's LTI performance rights that vest will depend on the Group's performance against those performance hurdles, with 100% vesting only occurring if an outperformance target is met.

Deferral period	Participants will receive rights to shares which will vest subject to meeting specified service conditions and otherwise satisfying the terms of the EIP. The performance rights have been granted in four tranches, two of which vest in three years and two of which vest in four years from the grant date.
Performance hurdles	For the initial grant of LTI performance rights, 50% will be subject to an earnings per share compound annual growth (EPS) hurdle and 50% will be subject to a relative total shareholder return (TSR) hurdle (compared to the ASX 300 Industrials constituents) tested on the date three years from the grant date. The probability of the hurdles being met will be reassessed at each period end. **EPS** 20% of the performance rights subject to the EPS hurdle will vest if EPS growth is at the target level and 100% will vest if EPS growth is at the stretch level or above with straight-line proportional vesting in between. No EPS performance rights will vest if EPS growth is below the target level. The EPS vesting condition will be assessed based on the Company's compound annual growth rate relative to the EPS compound annual growth rate of the ASX 300 Industrials. **TSR** Between 50% and 100% of the performance rights subject to the TSR hurdle will vest on a straight-line proportional basis if the Company's TSR is between the 50th percentile and the 75th percentile with 100% vesting above the 75th percentile. No TSR performance rights will vest if the Company's TSR is at or below the 50th percentile. Actual performance over the qualifying period applicable to each performance hurdle will determine the level of vesting against that hurdle.
Dividends	LTI awards do not carry the right to a cash dividend prior to the vesting date.
Voting	LTI performance rights do not entitle the holders to any voting rights at a meeting of Shareholders.

Remuneration Report (audited) (continued)

Detail of KMP Remuneration

The below tables detail the remuneration received by KMP during the financial year ending 30 June 2017 and 30 June 2016. The remuneration table for 2017 includes remuneration for Non Executive Directors since the date of appointment on 22 March 2017. The remuneration for other KMP represents salary and other benefits based on their duration of employment.

	Short term employee benefits		Post employment benefits	Long term benefits		
2017	**Cash salary and Fees**	**Transactional Bonus**	**Superannuation**	**Annual & long service leave**	**Equity settled Share based payments**	**Total**
Name						
Non Executive Directors						
Michael Coleman (i)	$ 48,544	-	-	-	-	$ 48,544
Maria Atkinson AM (i)	$ 33,287	-	-	-	-	$ 33,287
Richard England (i)	$ 33,287	-	-	-	-	$ 33,287
Daniel Girgis (ii)	$ 33,287	-	-	-	$ 10,685	$ 43,972
Executive Directors						
Daniel Tartak	$ 500,000	-	$ 42,500	$ 30,987	$ 13,664	$ 587,151
Other Executive KMP						
Anthony Story (iii)	$ 356,164	$ 125,000	$ 33,836	$ 23,028	$ 19,815	$ 557,843
Total	**$ 1,004,569**	**$ 125,000**	**$ 76,336**	**$ 54,015**	**$ 44,164**	**$ 1,304,084**

(i) Appointed 22 March 2017.

(ii) Mr Girgis was appointed 3 March 2017. Mr Girgis received a transactional bonus on the completion of the IPO of the equivalent of $100,000 in performance rights deferred for two years subject to remaining in office.

(iii) Mr Story received a transactional bonus on the completion of the IPO of the equivalent of $125,000 in performance rights deferred for two years subject to remaining in office.

Remuneration Report (audited) (continued)

Detail of KMP Remuneration (cont.)

	Short term benefits		Post employment benefits	Long term benefits		
2016	**Cash salary and Fees**	**Transactional Bonus**	**Superannuation**	**Annual & long service leave**	**Share based payments**	**Total**
Name						
Executive Directors						
Daniel Tartak	$ 336,538	-	$ 28,209	$ 75,594	-	$ 440,341
Other Executive KMP						
Anthony Story (i)	$ 256,164	-	$ 23,046	$ 13,022	-	$ 292,232
Total	**$ 592,702**	**-**	**$ 51,255**	**$ 88,616**	**-**	**$ 732,573**

(i) Mr Story commenced employment on 6 October 2015.

Service Agreements

Service Agreements have been entered into by the CEO and other Executive KMP. The key details of the Service Agreements are as follows:

Executive KMP	Position	Contract Duration	Employer Notice Period	Employee Notice Period
Daniel Tartak	Executive Director and Chief Executive Officer	Ongoing	6 months	6 months
Anthony Story	Chief Financial Officer	Ongoing	6 months	3 months

Upon the termination of Daniel Tartak's and Anthony Story's employment contracts, they will be subject to a restraint of trade period of twelve months.

Remuneration Report (audited) (continued)

Other KMP Disclosures

KMP Right Holdings as at 30 June 2017

2017	Beginning of Year	Granted as a Transactional Bonus (i)	Granted as a LTI	Exercised	Forfeited	Balance end of Year
Name						
Non Executive Directors						
Daniel Girgis	-	55,555	-	-	-	55,555
Executive Directors						
Daniel Tartak	-	-	183,333	-	-	183,333
Other Executive KMP						
Anthony Story	-	69,444	86,666	-	-	156,110
Total	**-**	**124,999**	**269,999**	**-**	**-**	**394,998**

(i) The Transactional bonus was paid 50% as cash and 50% as performance rights granted under the EIP. The vesting of these rights are deferred for two years and is subject to the executive remaining employed with the Group until the vesting date.

Options and Rights
Unissued shares in relation to performance rights including those issued to Directors, Executive Directors and other executive KMP at the date of this report are:

Grant Date	End of Performance period	Number of Rights
13 April 2017	12 April 2019	124,999
13 April 2017	30 June 2020	135,000
13 April 2017	30 June 2021	134,999
Total		**394,998**

A Monte Carlo simulation approach was used to value the performance rights subject to the relative TSR performance conditions. The fair value of the performance rights subject to the EPS performance condition was calculated using a risk neutral assumption. The exercise price of the performance rights is nil. No amount was paid for the performance rights during the period.

Fair Market Value	Tranche 1 (EPS)	Tranche 1 (TSR)	Tranche 2 (EPS)	Tranche 2 (TSR)
13 April 2017	$1.58	$1.00	$1.53	$0.97

Remuneration Report (audited) (continued)

Options and Rights (cont.)

Key valuation assumptions made at grant date were:

Key Assumptions	Tranche 1	Tranche 2
Grant date	13 April 2017	13 April 2017
Share price (i)	$1.75	$1.75
Expected volatility	36%	36%
Expected life	3.1 years	4.1 years
Risk free interest rate	1.91%	1.91%
Dividend yield	3.26%	3.26%

(i) The share price reflected in the valuation represents the closing share price on the first day of trading on the Australian Stock Exchange (ASX).

KMP – Shareholdings

The number of ordinary shares in the Company held by KMP and their related parties during the financial year is:

2017	Balance at beginning of Year	Converted at time of IPO	Acquired at the time of the IPO	Movements	Total
Name					
Non Executive Directors					
Michael Coleman	-	-	83,333	-	83,333
Maria Atkinson AM	-	-	27,777	-	27,777
Richard England	-	-	44,444	-	44,444
Executive Directors					
Daniel Tartak (i) (ii)	-	59,573,723	-	-	59,573,723
Total	**-**	**59,573,723**	**155,554**	**-**	**59,729,277**

(i) Mr Tartak has entered into voluntary escrow arrangements with the Company under which he will be restricted from dealing with shares converted at time of IPO (Escrowed Shares). Escrowed Shares are held by an entity related to Mr Tartak. Under the terms of the voluntary escrow arrangement, subject to certain customary exceptions, Escrowed Shares will be subject to escrow restrictions until (and including) the date on which the Company releases its financial results with respect to the financial year ending 30 June 2018 to the Australian Stock Exchange (ASX).

(ii) Mr Tartak is related to the Pre-IPO Bingo Group. During the current year, the consolidated entity had certain transactions with the entities controlled by Pre-IPO Bingo Group shareholders. These transactions were on normal commercial terms. Refer Note 29 (e) for details.

THIS IS THE END OF THE REMUNERATION REPORT (AUDITED)

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The Board of Directors
Bingo Industries Limited and Controlled Entities
PO Box 7
Enfield NSW 2136

29 August 2017

Dear Board Members

Bingo Industries Limited and Controlled Entities

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Bingo Industries Limited and Controlled Entities.

As lead audit partner for the audit of the financial statements of Bingo Industries Limited and Controlled Entities for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
Revenue	3	208,781	142,062
Other income	3	908	941
Total revenue and other income		**209,689**	**143,003**
Tipping & transportation costs		(76,816)	(56,146)
Employee benefits expenses	4	(50,113)	(33,635)
Depreciation and amortisation expenses	4	(13,182)	(11,434)
Raw materials and consumables used		(3,174)	(3,212)
Net finance costs	5	(4,574)	(1,910)
Acquisition costs	4	(103)	(1,839)
Rent and outgoings	4	(6,904)	(4,929)
Capital raising costs		(13,625)	-
Other expenses		(12,436)	(9,566)
Total expenses		**(180,927)**	**(122,671)**
Profit before income tax	4	**28,762**	**20,332**
Income tax expense	7	(8,928)	(6,679)
Profit for the year attributable to owners of the Company		**19,834**	**13,653**
Total comprehensive income for the year attributable to owners of the Company		**19,834**	**13,653**
Earnings per share			
Basic earnings per share	8	$0.06	$0.05
Diluted earnings per share	8	$0.06	$0.05

The above statement should be read in conjunction with the accompanying notes

BINGO INDUSTRIES LIMITED AND CONTROLLED ENTITIES

ABN 72 617 748 231

Consolidated Statement of Financial Position
as at 30 June 2017

	Note	2017 $'000	2016 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	13,278	5,358
Trade and other receivables	10	30,433	26,428
Inventories	11	2,984	2,321
Other assets	12	2,489	1,869
TOTAL CURRENT ASSETS		**49,184**	**35,976**
NON-CURRENT ASSETS			
Property, plant and equipment	13	189,313	57,910
Intangible assets	14	54,197	43,354
Deferred tax asset	7	2,450	-
TOTAL NON-CURRENT ASSETS		**245,960**	**101,264**
TOTAL ASSETS		**295,144**	**137,240**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	33,856	35,203
Borrowings	17	1,700	14,834
Income tax payable	7	577	5,240
Provisions	19	2,142	1,318
TOTAL CURRENT LIABILITIES		**38,275**	**56,595**
NON-CURRENT LIABILITIES			
Borrowings	17	132,668	54,397
Deferred tax liabilities	7	-	989
Provisions	19	232	222
TOTAL NON-CURRENT LIABILITIES		**132,900**	**55,608**
TOTAL LIABILITIES		**171,175**	**112,203**
NET ASSETS		**123,969**	**25,037**
EQUITY			
Issued capital	20	624,015	11
Other contributed equity		1,244	1,244
Reserves	21	(544,906)	-
Retained earnings		43,616	23,782
TOTAL EQUITY		**123,969**	**25,037**

The above statement should be read in conjunction with the accompanying notes

BINGO INDUSTRIES LIMITED AND CONTROLLED ENTITIES

ABN 72 617 748 231

Consolidated Statement of Changes in Equity
for the year ended 30 June 2017

	Note	Issued Capital $'000	Other Contributed Equity $'000	Group Reorganisation Reserve	Employee Equity Benefits Reserve	Retained Earnings $'000	Total $'000
Balance at 1 July 2015		**11**	**-**	**-**	**-**	**28,129**	**28,140**
Profit for the year		-	-	-	-	13,653	13,653
Total comprehensive income for the year		-	-	-	-	13,653	13,653
Transactions with owners, in their capacity as owners and other transfers							
- Other contributed equity		-	1,244	-	-	-	1,244
Dividends paid or provided during the year		-	-	-	-	(18,000)	(18,000)
Balance at 30 June 2016		**11**	**1,244**	**-**	**-**	**23,782**	**25,037**
Balance at 1 July 2016		**11**	**1,244**	**-**	**-**	**23,782**	**25,037**
Profit for the year		-	-	-	-	19,834	19,834
Total comprehensive income for the year		-	-	-	-	19,834	19,834
Transactions with owners, in their capacity as owners and other transfers							
- Issue of shares	20	628,200	-	-	-	-	628,200
- Costs capitalised to equity (net of tax)	20	(4,185)	-	-	-	-	(4,185)
- Recognition of equity settled share based payments	21	-	-	-	162	-	162
- Recognition of corporate reorganisation	20, 21	(11)	-	(545,068)	-	-	(545,079)
Balance at 30 June 2017		**624,015**	**1,244**	**(545,068)**	**162**	**43,616**	**123,969**

The above statement should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows
for the year ended 30 June 2017

	Note	2017	2016
		$'000	**$'000**
Receipts from customers		228,953	143,701
Payments to suppliers and employees		(167,895)	(113,363)
Insurance proceeds		-	7,233
Income tax paid		(16,397)	(10,632)
Net cash provided by operating activities	9b	**44,661**	**26,939**
Purchase of property, plant and equipment	13,9c	(83,354)	(9,962)
Purchase of business	15	(39,951)	(20,411)
Proceeds from sale of non-current assets		1,829	3,217
Net cash used in investing activities		**(121,476)**	**(27,156)**
Proceeds from issue of shares		439,583	-
Payments in relation to corporate reorganisation	21	(356,608)	-
Capital raising costs		(19,373)	-
Proceeds from borrowing		134,942	44,149
Repayment of borrowing		(62,623)	(11,207)
Repayment of loans from related parties		-	(3,908)
Hire purchase payments		(46,612)	(7,155)
Dividend paid		-	(18,000)
Net interest paid		(4,574)	(1,910)
Net cash provided by financing activities		**84,735**	**1,969**
Net increase in cash held		**7,920**	**1,752**
Cash at beginning of the year		5,358	3,606
Cash at the end of the year	9a	**13,278**	**5,358**

The above statement should be read in conjunction with the accompanying notes

Note 1: General Information

Bingo Industries Limited ("the Company") is a company incorporated in Australia and listed on the Australian Stock Exchange. The Company was incorporated as a public company on 3 March 2017. On 9 May 2017 the shareholders of the Company and Bingo Holdings Pty Limited and its controlled entities undertook a corporate reorganisation process to facilitate an Initial Public Offering ("IPO"). Consequently, the Company acquired the already operating Bingo Holdings Pty Limited and its controlled entities (Pre-IPO Bingo Group).

This corporate reorganisation does not represent a business combination in accordance with AASB 3 'Business Combinations', and the appropriate accounting treatment for recognising the new group structure is on the basis that the transaction is a form of capital reconstruction and group reorganisation. Accordingly the financial statements have been presented as a continuation of the Pre-IPO Bingo Group. As such, financial statements of the Group include the historical financial information of the Pre-IPO Bingo Group for the period before the acquisition. These financial statements include the financial results for the Group from acquisition to 30 June 2017 and the Pre-IPO Bingo Group for the period 1 July 2016 to the date of acquisition.

The comparative information presented in the financial statements represents the financial position of the Pre-IPO Bingo Group as at 30 June 2016, and the financial performance of the Pre-IPO Bingo Group for the year ended 30 June 2016.

The consolidated financial statements of the Company and its controlled entities ("the Group") were authorised for issue by the Directors on 29 August 2017.

The principal activities of the Group during the financial year were to provide waste management solutions for domestic and commercial business, operate state of the art recycling centres and the manufacture of bins. No significant change in the nature of these activities occurred during the financial year.

The address of its registered office and principal place of business are as follows:

305 Parramatta Road
Auburn NSW 2144

Note 2: Summary of Significant Accounting Policies

Statement of compliance

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

These financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards (IFRS).

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars. The company is a Company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Basis of consolidation

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2: Summary of Significant Accounting Policies (cont.)

Critical accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Actual results may vary from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical professional experience.

Significant accounting judgements include the following:

Accounting for reorganisation

To facilitate the IPO there was a reorganisation of the legal corporate structure as disclosed in Note 22.

The restructure is considered to be a capital reorganisation that was accounted for at book value. As part of the reorganisation significant transaction costs were incurred. Judgement is required in determining the accounting treatment for the reorganisation as well as any related costs to ensure compliance with the relevant accounting standards.

Accounting for acquisitions

During the financial year the Group made significant business acquisitions as disclosed in Note 15. Accounting for these transactions is complex and judgemental, requiring management to determine:

- whether the acquisitions represent a business;
- the appropriate classification of leases as a consequence of the acquisitions; and
- the appropriate purchase price allocation, including the fair value assessment of the identifiable tangible and intangible assets.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Note 2: Summary of Significant Accounting Policies (cont.)

New and Amended Standards Adopted by the Group

The following standards, interpretations and amendments have been adopted in the 2017 financial year as a result of the new revised accounting standards which are relevant to the Group:

- *AASB 2015-1 'Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'.*
- *AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'*

The adoption of these standards has not resulted in any adjustment to the amounts recognised in the financial statements, nor resulted in any additional disclosures.

New Accounting Standards and Interpretations for Application in Future Periods

At the date of authorisation of the financial statements, the Standards and Interpretations relevant to the Group listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 9 'Financial Instruments', and the relevant amending standards Based on an initial assessment, the new standard is not expected to significantly impact the Group's determination of doubtful debts or the accounting for derivative financial instruments.	1 January 2018	30 June 2019
• AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' The Group is undertaking a comprehensive review of the implementation impacts of AASB 15 and has not yet reached a final determination of the impacts of this accounting standard. However, based on an initial assessment, the new standard is not expected to significantly impact revenue recognition or the treatment of contract costs of the Group.	1 January 2018	30 June 2019
• AASB 16 Leases The impact to the Group has not yet been determined. However, we note that any operating leases will increase assets, increase liabilities, decrease operating expenses and increase interest expense.	1 January 2019	30 June 2020
• AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB107'	1 January 2017	30 June 2018

Note 3: Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue for services are recognised when the bins are picked up from a customer and when waste is received at recycling centres. In relation to manufactured bins, revenue from sale of manufactured bins is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Risks and rewards are considered to be passed to the buyer at the time of the delivery of bins to the customers.

Equipment rental income is recognised on a straight line basis.

	2017 $'000	2016 $'000
Sales revenue	208,781	142,062
Other income		
Equipment rental – related company	900	840
Other income	8	101
Total other income	908	941
Total Revenue and other income	**209,689**	**143,003**

Note 4: Expenses

Profit before income tax includes the following specific expenses:

	2017 $'000	2016 $'000
Bad debt expense	284	140
Post-employment benefits	2,619	1,741
Equity settled share based payments	162	-
Other employee benefits	47,332	31,894
Total employee benefits expense	50,113	33,635
Depreciation	11,223	10,731
Customer relationships amortisation	1,685	505
Software amortisation	274	198
Depreciation and amortisation	13,182	11,434
Rent and outgoings – Related parties	5,838	3,282
Rent and outgoings – Other	1,066	1,647
Total rent and outgoings	6,904	4,929
Acquisition costs written off	103	1,839
Performance contract amortisation	407	555
Net (gain) / loss on sale of property, plant & equipment	(453)	257
Minimum lease payments	6,404	4,332

Note 5: Finance Costs

Finance costs include interest, fees and amortisation of costs incurred in connection with the arrangement of new borrowing facilities. Costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings. Finance costs are expensed immediately unless they relate to the acquisition and development of qualifying assets. Qualifying assets are assets that take more than twelve months to prepare for their intended use. Finance costs related to qualifying assets are capitalised. There were no qualifying assets at year end.

	2017 $'000	2016 $'000
Interest Expense	4,382	1,873
Amortised borrowing costs	256	103
	4,638	1,976
Interest Received	(64)	(66)
Net Finance Costs	4,574	1,910

Note 6: Segment Reporting

The Group has identified its operating segments based on how the Chief Operating Decision Maker (CODM) reviews internal reports in order to assess the performance of the Group. The CODM of the Group is the Chief Executive Officer. During the current period, the Group changed the structure of its internal reporting to the CODM. Based on management's assessment of the internal reports being reviewed by the CODM, the Group has identified the following reportable segments:

- **Collections** – includes hire of bins and collection of building, demolition, industrial and commercial waste; and
- **Post Collections** – facility centres which recycle or dispose collected construction waste.

All other segments are reflected as "Other segments" on the basis that these are not considered reportable segments. The "Other segments" category mainly includes manufacture and supply of bins.

The prior period segment information has been restated to reflect the above change.

Assets, liabilities and taxes are not disclosed as they are not provided to the CODM and are only reported on a group basis. The Group only operates in Australia. No single customer contributed 10% or more to the Group's revenue for both 2017 and 2016.

Note 6: Segment Reporting (cont.)

2017	Collections $'000	Post Collections $'000	Other $'000	Eliminations $'000	Total $'000
Revenue					
Sales	121,788	116,803	17,835	(47,645)	208,781
Other income	-	-	908	-	908
Total Revenue and other income	121,788	116,803	18,743	(47,645)	209,689
EBITDA	28,108	29,319	2,716	-	60,143
Depreciation and amortisation					(13,182)
Capital raising costs					(13,625)
Net finance costs					(4,574)
Profit before income tax					28,762
Income tax expense					(8,928)
Profit after tax					**19,834**

2016	Collections $'000	Post Collections $'000	Other $'000	Eliminations $'000	Total $'000
Revenue					
Sales	93,081	68,664	13,874	(33,557)	142,062
Other income	-	-	941	-	941
Total Revenue and other income	93,081	68,664	14,815	(33,557)	143,003
EBITDA	20,531	13,625	1,359	-	35,515
Depreciation and amortisation					(11,434)
Acquisition costs					(1,839)
Net finance costs					(1,910)
Profit before income tax					20,332
Income tax expense					(6,679)
Profit after tax					**13,653**

Note 7: Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised on other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where:

(a) a legally enforceable right of set-off exists; and
(b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The Company is the Head Entity of the tax consolidation group. The members of the tax consolidated group are disclosed in Note 27.

Note 7: Taxation (cont.)

	2017 $'000	2016 $'000
a) Income tax recognised in profit or loss		
Current tax		
In respect of current year	11,734	9,798
Deferred tax		
In respect of current year	(2,806)	(3,119)
Total tax expense	8,928	6,679
Income Tax expense reconciliation		
Profit before tax from continuing operations	28,762	20,332
Income tax expense calculated at 30% (2016: 30%)	8,628	6,100
Increase\(decrease) in income tax expense due to:		
Non-deductible expenses	300	28
Acquisition costs	-	551
Income Tax expense recognised in the profit or loss	8,928	6,679

b) Deferred Income Tax
Deferred income tax in the consolidated statement of financial position relates to the following:

	2017 $'000	2016 $'000
Deferred tax assets		
Capital raising costs not immediately deductible	2,990	-
Employee provisions	712	463
Provisions and accruals	1,502	999
	5,204	1,462
Deferred tax liabilities		
Customer relationship intangibles	(2,542)	(2,117)
Performance contract	(212)	(334)
Net deferred tax assets / (liabilities)	2,450	(989)

c) Income tax liability

	2017 $'000	2016 $'000
Income tax payable	577	5,240

Note 7: Taxation (cont.)

	2017 $'000	2016 $'000
d) Income tax recognised directly in equity		
Current Tax		
Share issue costs	320	-
	320	-
Deferred Tax		
Arising on transactions with owners:		
Share issue expenses deductible over five years	1,242	-
	1,242	-
Total income tax recognised directly in equity	1,562	-

Note 8: Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the net profit after income tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Dilutive potential ordinary shares are limited to performance rights issued under the Group's long term and short term incentive plans. Refer to Note 28 for details. The dilutive effect of the performance rights on the basic earnings per share reported above is not material.

Note 8: Earnings per share (cont.)

		2017	2016
Basic earnings per share		$0.06	$0.05
Diluted earnings per share		$0.06	$0.05
Profit after income tax	$'000	19,834	13,653
Weighted average number of ordinary shares used in the calculation of:			
- Basic earnings per share	No. of shares	309,233,059	302,477,778
- Diluted earnings per share	No. of shares	310,782,798	302,477,778

Reconciliation of weighted average number of ordinary shares used in the calculation of:			
- Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	No. of shares	309,233,059	302,477,778
Adjustments for calculation of diluted earnings per share:			
– Weighted average number of dilutive options and rights	No. of shares	1,549,739	-
- Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	No. of shares	310,782,798	302,477,778

Note 9: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. For the statement of cash flows presentation purposes, cash and cash equivalents also include bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

	2017 $'000	2016 $'000
Cash at bank	13,278	5,347
Cash on hand	-	11
(a) Total Cash and Cash Equivalents	**13,278**	**5,358**

	2017 $'000	2016 $'000
(b) Reconciliation of profit for the year to net cash flows from operating activities		
Profit after income tax	19,834	13,653
Non-operating cash flows in profit / (loss):		
- Depreciation and amortisation	13,182	11,434
- (Profit) / loss on sale of property, plant and equipment	(453)	257
- Performance consideration amortisation	407	555
- Finance costs	4,574	1,910
- Capital raising costs	13,625	-
Changes in assets and liabilities:		
- (increase) in trade and other debtors	(1,705)	(13,602)
- (increase)/decrease in other assets	(620)	9,751
- (increase) in inventories	(663)	(781)
- increase in trade and other creditors	3,456	7,166
- increase/(decrease) in income taxes	(4,663)	(1,000)
- increase/(decrease) in provisions	(2,313)	(2,404)
Net cash provided by operating activities	**44,661**	**26,939**

(c) Non-cash transactions

During the current year, the Group acquired $40,945,000 of property, plant and equipment under finance lease (2016: $21,652,000).

Note 10: Trade and Other Receivables

Trade and other receivables include amounts receivable for GST. Receivables expected to be collected within 12 months of the end of the reporting year are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are recognised at amortised cost less any provision for impairment.

Trade receivables are usually settled in 30 days. The Group has recognised an allowance for doubtful debts on receivables when collection of an amount is no longer probable. Debts which are known to be uncollectable are written off. Before providing credit to a new customer, the Group requires a completed credit application, defines a credit limit and conducts a credit worthiness check. There is no customer who represents more than 4% (2016: 6%) of the total balance of trade receivables.

	2017 $'000	**2016 $'000**
Trade receivables	30,442	25,174
Allowance for doubtful debts	(309)	(169)
	30,133	25,005
Other receivables	-	-
Related parties (i)	300	1,423
Total	**30,433**	26,428

(i) Related party receivables pertain to trade debtors arising from the rental of equipment on normal commercial terms. These balances are receivable from entities related to one of the directors. Subsequent to year end, the amount outstanding was settled with cash.

Trade receivables disclosed above include amounts (see below for ageing analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. Age of receivables that are past due but not impaired.

	2017 $'000	**2016 $'000**
60 days	858	1,803
90 + days	879	1,258
	1,737	3,061

The movement in the allowance for doubtful debts during the year was as follows:

	2017 $'000	**2016 $'000**
Opening balance	169	169
Impairment losses recognised on receivables	284	140
Utilisation of provision	(144)	(140)
Closing balance	309	169

Note 11: Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on the first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

	2017	2016
	$'000	$'000
Consumable products	477	314
Raw materials	2,008	2,007
Stock in transit	499	-
Total Inventories	**2,984**	**2,321**

Note 12: Other assets

	2017	2016
	$'000	$'000
Accrued revenue	436	215
Performance consideration (i)	708	1,115
Deposits paid	672	227
Prepayments	673	312
Total	**2,489**	**1,869**

(i) Performance consideration refers to a previously made payment for a one-off remuneration arrangement as a result of a business combination made in the year ended 30 June 2015. This balance is being amortised over the period of employment services.

Note 13: Property, plant & equipment

Property, plant and equipment are measured on the cost basis and are carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial year in which they are incurred.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	**Depreciation Rate**
Land and buildings	0 - 2.5%
Plant and equipment	10% - 50%
Trucks and machinery	10% - 33.3%
Leasehold improvements	10% - 25%

Land and buildings held for use in the production or supply of goods and services, or for administrative purposes, are stated in the consolidated statement of financial position at their cost.

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the asset. These gains or losses are recognised in the profit or loss when the item is derecognised.

Notes to the Financial Statements for the year ended 30 June 2017

Note 13: Property, plant & equipment (cont.)

	2017 $'000	2016 $'000
Land and buildings at cost	101,843	-
Land and buildings accumulated depreciation	(100)	-
Land and buildings net	**101,743**	**-**
Lease improvements at cost	1,381	4,361
Lease improvements accumulated depreciation	(125)	(299)
Lease improvements net	**1,256**	**4,062**
Plant and equipment at cost	64,647	35,866
Plant and equipment – work in progress	-	4,063
Plant and equipment – total	64,647	39,929
Plant and equipment accumulated depreciation	(12,845)	(6,075)
Plant and equipment net	**51,802**	**33,854**
Trucks and machinery at cost	42,440	25,876
Trucks and machinery accumulated depreciation	(7,928)	(5,882)
Trucks and machinery net	**34,512**	**19,994**
Total property plant & equipment	**189,313**	**57,910**

Note 13: Property, plant & equipment (cont.)

	Land and Buildings at cost $'000	Leasehold Improvements at cost $'000	Plant & Equipment at cost $'000	Trucks & Machinery at cost $'000	Total $'000
Cost					
Balance at 1 July 2015	-	61	22,836	16,499	39,396
Additions	-	4,361	12,531	10,423	27,315
Disposals	-	(61)	(4,259)	(2,280)	(6,600)
Acquisition through business combinations	-	-	4,758	1,234	5,992
Plant & equipment – Work in progress (i)	-	-	4,063	-	4,063
Balance as at 30 June 2016	**-**	**4,361**	**39,929**	**25,876**	**70,166**
Balance at 1 July 2016	-	4,361	39,929	25,876	70,166
Additions	1,441	485	17,401	17,856	37,183
Transfer from Leasehold Improvements (iii)	1,931	(3,465)	1,534	-	-
Disposals	-	-	(974)	(2,885)	(3,859)
Acquisition of IPO properties (ii)	70,947	-	-	-	70,947
Acquisition through business combinations (iv)	27,524	-	6,757	1,593	35,874
Balance as at 30 June 2017	**101,843**	**1,381**	**64,647**	**42,440**	**210,311**
Accumulated depreciation					
Balance at 1 July 2015	-	3	2,403	2,243	4,649
Depreciation expense	-	309	5,637	4,785	10,731
Write back on disposal	-	(13)	(1,965)	(1,146)	(3,124)
Balance at 30 June 2016	**-**	**299**	**6,075**	**5,882**	**12,256**
Balance at 1 July 2016	-	299	6,075	5,882	12,256
Depreciation expense	100	517	6,782	3,824	11,223
Write back on disposal	-	(691)	(12)	(1,778)	(2,481)
Balance as at 30 June 2017	**100**	**125**	**12,845**	**7,928**	**20,998**
Net book value at 30 June 2016	**-**	**4,062**	**33,854**	**19,994**	**57,910**
Net book value at 30 June 2017	**101,743**	**1,256**	**51,802**	**34,512**	**189,313**

(i) As at 30 June 2016, the Group had paid a deposit of $4,063,000 for certain plant and equipment under construction which was installed in September 2016.

(ii) The Group acquired land and buildings for $68.4 million from director related entities (as disclosed in Note 29). To assist the Directors with their assessment of deemed cost the properties were valued by independent third parties in March 2017. Also includes the recognition of Smithfield premises as a finance lease for $2.5 million (refer to Note 13(a) below).

(iii) Following the acquisition of the properties at (ii), any leasehold improvements to such properties have been reclassified to either Land and Buildings or Plant and Equipment.

(iv) Includes recognition of Revesby premises as a finance lease for $17.0 million (refer to Note 13(b) below).

The property, plant and equipment have been pledged to secure the borrowings of the Group (see Note 17).

Note 13: Property, plant & equipment (cont.)

As detailed below, the Group has entered into Option agreements to acquire a number of properties.

(a) IPO Properties under option

As part of the corporate reorganisation process, on 9 May 2017, the Group entered into deeds of assignment to enable the Group to acquire the option rights for a number of properties. The rights were reassigned from director related entities.

The terms of the options are summarised below.

Deed of Put and Call Option – Smithfield Premises

A director related entity was party to a deed of put and call option with an unrelated third party (grantor) dated 20 October 2016.

Under this deed, the grantor grants the Group a call option to acquire the Smithfield Premises, and the Group grants the grantor a put option to require the grantee to purchase the Smithfield Premises. The put option may be exercised by the grantor between 2 December 2016 and 21 October 2021. The call option may only be exercised by the Group in the period from 21 October 2021 to 11 November 2021.

On exercise of either the put option or call option, a contract for sale of land in respect of the Smithfield Premises is deemed to have been entered into between the grantor and the Group.

The purchase price under the option for the Smithfield Premises is $2,400,000.

Deed of Call Option – West Gosford Premises

A director related entity was party to a deed of call option with an unrelated third party (grantor) dated 20 October 2016.

Under this deed, the grantor grants to Group a call option to acquire the West Gosford Premises. The call option may be exercised by the grantee in the period between 20 October 2016 and 20 October 2018.

On exercise of the call option, a contract for sale of land in respect of the West Gosford Premises is deemed to have been entered into between the grantor and the Group.

The purchase price under the option for the West Gosford Premises is $1,200,000.

Note 13: Property, plant & equipment (cont.)

(a) IPO Properties under option (cont.)

Deed of Option – Tomago Premises

A director related entity was party to a deed of option with an unrelated third party (grantor) dated 6 January 2017.

Under this deed, the grantor grants the Group a call option to acquire the Tomago Premises. The call option may be exercised in the period from 20 February 2017 to 18 February 2019.

On exercise of the call option, a contract for sale of land in respect of the Tomago Premises is deemed to have been entered into between the grantor and the Group.

The purchase price under the option for the Tomago Premises is $730,000.

(b) Other properties under option

The terms of the options are summarised below.

Deed of Put and Call Option – Revesby Premises

The Group is party to a deed of put and call option with an unrelated third party (grantor) dated 31 May 2017.

Under this deed, the grantor grants the Group a call option to acquire the Revesby Premises, and the Group grants the grantor a put option to require the Group to purchase the Revesby Premises. The put option may be exercised by the grantor between 1 July 2019 and 31 July 2019. The call option may be exercised by the Group in the period from 1 September 2017 to 31 July 2019.

On exercise of either the put option or call option, a contract for sale of land in respect of the Revesby Premises is deemed to have been entered into between the grantor and the Group.

A call option fee of $2 million is payable on 1 June 2018. Should the call or put be exercised, this will be treated as a deposit against the purchase price. The total purchase price under the option for the Revesby Premises is $17,000,000.

(c) Properties under option recognised as finance lease

The put and call option arrangement for Revesby and Smithfield Premises has been recognised as finance lease as the directors believe that either the put or the call option is reasonably certain to be exercised at the end of the option expiry period.

Note 14: Intangible assets

Intangibles relate to goodwill arisen from the acquisition of the subsidiaries. Other intangible assets relate to acquisition of assets such as customer contracts, software and certain trademarks.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the acquired business. Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is allocated to the Company's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the business sold.

Customer relationships

The Group measures the carrying values of customer relationships acquired in a business combination by reference to the fair value as at acquisition date less related amortisation based on expected useful lives. The fair value is determined based on a methodology adopted involving subjective underlying assumptions, including cash flow forecasts, discount rates, attrition rates and assessment of useful lives. The customer contracts are being amortised over 5 years.

Software

Software includes development costs which are capitalised only when:

- the technical feasibility and commercial viability of the project is demonstrated;
- the consolidated entity has an intention and ability to complete the project and use it or sell it; and
- the costs can be measured reliably.

Such costs include payments to external contractors to develop the software, any purchase of materials and equipment and personnel costs of employees directly involved in the project.

The software development asset is amortised at the rate of 20% per annum. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Other intangibles

Other intangibles include patents and trademarks stated at cost.

	2017	2016
	$'000	$'000
Goodwill	44,317	35,292
Customer relationships	8,475	7,059
Patents and Trademarks	80	69
Software	1,325	934
Total intangibles	**54,197**	**43,354**

Software was previously disclosed under property, plant and equipment and has been reclassified to intangible assets in the current year.

Note 14: Intangible assets (cont.)

	Note	Goodwill	Customer relationships	Patents & Trademarks	Software	Total
		$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance 1 July 2015		12,901	2,388	63	649	16,001
Acquisition of businesses		22,391	5,176	6	-	27,573
Additions		-	-	-	483	483
Amortisation		-	(505)	-	(198)	(703)
Balance 30 June 2016		**35,292**	**7,059**	**69**	**934**	**43,354**
Consists of:						
Costs		35,292	7,729	69	1,132	44,222
Accumulated amortisation		-	(670)	-	(198)	(868)
Balance at 30 June 2016		**35,292**	**7,059**	**69**	**934**	**43,354**
Balance 1 July 2016		35,292	7,059	69	934	43,354
Acquisition of businesses	15	9,025	3,101	-	-	12,126
Additions		-	-	11	665	676
Amortisation		-	(1,685)	-	(274)	(1,959)
Balance 30 June 2017		**44,317**	**8,475**	**80**	**1,325**	**54,197**
Consists of:						
Costs		44,317	10,830	80	1,797	57,024
Accumulated amortisation		-	(2,355)	-	(472)	(2,827)
Balance at 30 June 2017		**44,317**	**8,475**	**80**	**1,325**	**54,197**

Allocation of goodwill to cash generating units

2017	**Collections**	**Post Collections**	**Other**	**Corporate**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Goodwill	18,138	23,064	3,115	-	44,317
Customer relationships	3,617	4,424	434	-	8,475
Other intangibles	-	-	-	80	80
Software	-	-	-	1,325	1,325
	21,755	27,488	3,549	1,405	54,197
2016					
Goodwill	12,079	20,198	3,015	-	35,292
Customer relationships	2,561	3,932	566	-	7,059
Other intangibles	-	-	-	69	69
Software	-	-	-	934	934
	14,640	24,130	3,581	1,003	43,354

Note 14: Intangible assets (cont.)

Impairment of Assets

Goodwill has been allocated for impairment testing purposes to the following operating segments:

- Collections
- Post Collections
- Other

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. An impairment loss, if any, is recognised for the amount by which the carrying amount exceeds its recoverable amount.

The recoverable amount of each cash generating unit is determined based on value-in-use calculations. Value-in-use calculations use cash flow projections based on financial budgets, excluding growth initiatives, covering a projected five year period and a post-tax discount rate of 9.5% per annum.

Cash flow projections during the budget period are based on the respective cash generating units' same expected gross margins throughout the budget period. The cash flows beyond that five year period have been have been extrapolated using a steady 2.5% per annum growth rate. Annual capital expenditure is based on expected cash costs to maintain assets in current condition. The directors believe that any reasonable change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Note 15: Business Combinations

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Goodwill arises in a business combination when the consideration transferred to the acquiree is greater than the net of the acquisition-date amounts of identifiable assets and the liabilities assumed. Acquisition-related costs are recognised in profit or loss as incurred.

2017 Date of Acquisition	Business Segment	Cash consideration	Deferred consideration	Total consideration
		$'000	$'000	$'000
October 2016	Collections	700	700(i)	1,400
November 2016	Post Collections	900	-	900
March 2017	Other	185	-	185
May 2017	Post Collections	28,166	-	28,166
		29,951	700	30,651

(i) Under the deferred consideration arrangement, the Group is required to pay the vendor $700,000 in July 2017.

2017	Collections	Post Collections	Other	Total
	$'000	$'000	$'000	$'000
Assets				
Plant & equipment	678	7,672	-	8,350
Inventory	-	-	86	86
Land and buildings	-	27,524	-	27,524
Customer relationships	128	2,973	-	3,101
Liabilities				
Employee entitlements	-	(68)	-	(68)
Deferred tax liability	(38)	(892)	-	(930)
Lease liability	-	(16,437)	-	(16,437)
Total net identifiable assets	768	20,772	86	21,626
Goodwill	632	8,293	100	9,025
Consideration transferred	1,400	29,065	186	30,651

Total acquisition costs of $103,000 have been expensed in the period.

The businesses were acquired to continue the expansion of all operating divisions within the Group. All businesses have contributed to the revenue and profits of the Group during the year.

Note 15: Business Combinations (cont.)

Business combinations (cont.)
The following table provides a summary of revenue and profit contribution attributable to the additional business generated by the business combinations for the period ended 30 June 2017.

		2017	
Date of Acquisition	**Business Segment**	**Revenue**	**Profit**
		$'000	**$'000**
October 2016	Collections	1,763	278
November 2016	Post Collections	1,377	247
March 2017	Other	50	16
May 2017	Post Collections	3,531	485

Had these business combinations been effected at 1 July 2016, the revenue of the Group would have been $247.9 million, and the profit for the year would have been $23.8 million. The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group had these business combinations occurred at the beginning of the current year, the directors have:

- Calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- Calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

Note 15: Business Combinations (cont.)

2016 Date of Acquisition	Business Segment	Cash consideration	Deferred consideration	Total consideration
		$'000	$'000	$'000
October 2015	Collections	3,453	-	3,453
October 2015	Collections	1,300	-	1,300
November 2015	Post Collections	4,008	10,000[(ii)]	14,008
February 2016	Collections \ Post Collections	9,000	-	9,000
January 2016	Post Collections	2,200	-	2,200
January 2016	Other	450	-	450
		20,411	10,000	30,411

(ii) Under the deferred consideration arrangement, the Group was required to pay the vendor $10,000,000 in November 2016.

2016	Collections	Post Collections	Other	Total
	$'000	$'000	$'000	$'000
Assets				
Plant & equipment	1,624	4,289	79	5,992
Customer relationships	1,057	4,119	-	5,176
Liabilities				
Employee entitlements	(47)	(77)	-	(124)
Deferred tax liability	(317)	(1,236)		(1,553)
Lease Liability	-	(1,471)	-	(1,471)
Total Net identifiable assets	2,317	5,624	79	8,020
Goodwill	2,436	19,584	371	22,391
Consideration transferred	4,753	25,208	450	30,411

Total acquisition costs of $1,839,000 were expensed in 2016.

Note 16: Trades and other payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting year or are required to be reimbursed to management where such expenses have been paid by management on behalf of the Group. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2017	2016
	$'000	$'000
Trade Creditors	19,012	13,718
Other creditors and accruals	12,360	9,518
Deferred revenue	1,784	1,967
Deferred settlement (i)	700	10,000
Total Trade and Other Payables	**33,856**	**35,203**

(i) A Collections acquisition during the current period included a deferred settlement of $0.7 million. This was subsequently settled in July 2017.
A Post Collections acquisition during the prior period included a deferred settlement of $10 million. This was settled in November 2016.

Note 17: Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial amount of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

The Group borrows funds from financial institutions to fund acquisitions and capital expenditure (prior to the corporate reorganisation, hire purchase facilities were used to fund capital expenditure).

	2017	2016
	$'000	$'000
Current - secured		
Bank Loan	-	3,000
Borrowing costs	-	(167)
Finance lease liabilities (i)	1,700	12,001
Total Borrowings (Current)	**1,700**	**14,834**
Non Current - secured		
Bank Loan	116,500	41,538
Borrowing costs	(1,097)	(335)
Finance lease liabilities (i)	17,265	13,194
Total Borrowings (Non-Current)	**132,668**	**54,397**

(i) The finance lease liabilities for the current year relates to properties under put and call options. Refer to Note 13 for further details. The prior year finance lease liabilities relate to bank financing facilities which were repaid in the current year.

Note 17: Borrowings (cont.)

Bank Financing Facilities

			2017		2016	
			Facility	Utilised	Facility	Utilised
Facility	**Note**	**Maturity**	**$'000**	**$'000**	**$'000**	**$'000**
Syndicated Facility – Term Loan	(i)	9 July 2020	80,000	80,000	-	-
Syndicated Facility – Revolving multi-option	(i)	9 July 2020	120,000	38,388	-	-
CBA Facility	(ii)	30 June 2019	-	-	60,000	44,537
CBA Guarantee Facility	(ii)	30 June 2019	-	-	2,000	954
CBA Equipment Finance	(ii)	30 June 2019	-	-	35,000	20,575
NAB Equipment Finance	(ii)	14 April 2019	-	-	5,000	4,620

(i) The Group entered into new secured syndicated three year term and revolving facilities from 5 May 2017. The facility limit under the new banking facilities is $200 million, $80 million of which is a term loan facility, and the remaining $120 million is a revolving multi-option facility which may be drawn by way of loans, letters of credit or bank guarantees. As at 30 June 2017, $1,888,133 had been drawn down for guarantees. The Syndicated Facility is secured against the business, property, plant and equipment and the subsidiaries. All covenants were complied with during the year.

(ii) The Group repaid its previously drawn Commonwealth Bank of Australia Facility, Guarantee facility and Equipment Finance facility, as well as its National Australia Bank Equipment Finance facility. These financing facilities were repaid utilising drawdowns from the new Syndicated Facility. All covenants were complied with during the period.

Note 18: Financial instruments

Capital management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns whilst maximising the return to stakeholders through the optimisation of the debt and equity balance. The finance facilities are outlined in Note 17.

The capital structure of the Group consists of equity holders of the parent, comprising issued capital, reserves and retained earnings. Operating cash flows are used to maintain and expand the Group's assets as well as pay for operating expenses. The Group is not subject to any external imposed capital requirements. The gearing ratio of the Group at reporting date was:

	2017	2016
	$'000	**$'000**
Current borrowings	1,700	14,834
Non current borrowings	132,668	54,397
less cash and cash equivalents	(13,278)	(5,358)
Net debt	121,090	63,873
Total assets (less cash)	281,866	131,882
Gearing ratio	43.0%	48.4%

Net debt to total assets ratio:

(i) Debt is defined as long-term and short-term borrowings, as described in Note 17.

(ii) Total assets less cash includes all assets of the Group less cash and cash equivalents.

Note 18: Financial instruments (cont.)

Financial risk management objectives

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on managing these risks. The Group uses short term rollovers to manage the interest rate risk with no speculative trading in financial instruments. It seeks to deal with creditworthy counterparties and monitors its liquidity through cash flow forecasts.

Market Risk

Market risk is the risk that the fair value or future cash flows of the financial instruments fluctuate due to market price changes. The Group is exposed to interest rate movements on its bank loans.

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

	30 June 2017		30 June 2016	
	Weighted ave interest rate	**$'000**	**Weighted ave interest rate**	**$'000**
Bank loans (variable)	3.84%	116,500	3.62%	44,538
Finance lease liabilities (fixed rate)	3.84%	18,965	4.70%	25,195

A 1% change in the interest rates would have increased \ (decreased) the profit by $1,165,000 (2016: $445,380).

Credit Risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations under a financial instrument and results in a loss to the Group. The Group manages the risk by establishing credit limits and managing exposure to individual entities. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group minimises the concentration of credit risk by undertaking transactions with a large number of customers. The maximum exposure to credit risk is the carrying value at balance date.

	2017	**2016**
	$'000	**$'000**
Cash and cash equivalents	13,278	5,358
Trade and other receivables	30,433	26,428
	43,711	31,786

Note 18: Financial instruments (cont.)

Liquidity Risk

Liquidity risk is the risk that the Group will not meet its financial obligations as they fall due. It is the Group's policy to maintain sufficient funds in cash and cash equivalents to meet near term operational requirements. Management prepares and monitors rolling cash flows and regularly reviews existing funding arrangements to manage this risk. At balance date, the Group has in excess of $81 million (2016: $31 million) in available head room in it banking facilities.

The contractual maturity of the Group's financial liabilities are:

2017	1 Year $'000	Over 1 to 2 Years $'000	Over 2 to 5 Years $'000	Total	Carrying Amount
Trade and other payables	33,856	-	-	33,856	33,856
Bank loans	4,474	4,474	121,084	130,032	116,500
Finance lease liabilities	1,700	14,842	2,472	19,014	18,965
Financial guarantees	1,888	-	-	1,888	-
	41,918	19,316	123,556	184,790	169,321
2016					
Trade and other payables	35,203	-	-	35,203	35,203
Bank loans	3,501	3,652	38,968	46,121	44,538
Finance lease liabilities	13,812	7,535	7,145	28,492	25,195
Financial guarantees	954	-	-	954	-
	53,470	11,187	46,113	110,770	104,936

The amount included above for financial guarantees is the maximum amount that the Group could be forced to settle under the arrangements for the full guarantee amount if that amount is claimed by the counterparty to the guarantees. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such amounts will not be payable under the arrangement. However this estimate is subject to change depending on the probability the counterparty claiming under the guarantee, which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed, suffer credit losses.

Note 19: Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bond rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

	2017	2016
Current	**$'000**	**$'000**
Annual leave	1,833	1,164
Long service leave	309	154
Total Provisions (Current)	**2,142**	**1,318**
Non Current		
Long service leave	232	222
Total Provisions (Non-Current)	**232**	**222**

Note 20: Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share capital		**2017**		**2016**
Details	**Number of shares**	**$'000**	**Number of shares**	**$'000**
Ordinary share capital				
Fully paid ordinary shares	349,000,000	624,015	11,000	11

Movements in ordinary share capital

		2017		**2016**	
Date	**Details**	**Number of shares**	**$'000**	**Number of shares**	**$'000**
	On issue at 1 July	11,000	11	11,000	11
	Movements:				
09/05/2017	Corporate reorganisation adjustment [(i)]	(11,000)	(11)	-	-
09/05/2017	Shares issued under IPO [(ii)]:			-	-
	- Prospectus Applications	244,212,000	439,583		
	- Pre-IPO Bingo Group shareholders	104,700,000	188,460		
	- Employees	88,000	157		
30/06/2017	Capital raising transaction costs during the year (net of tax)	-	(4,185)	-	-
	On issue at 30 June	**349,000,000**	**624,015**	**11,000**	**11**

(i) In accordance with the reorganisation described in Note 1, share capital recognised represents the equity of the legal subsidiary, Bingo Holdings Pty Limited in the period before the corporate reorganisation. Subsequent to the corporate reorganisation, issued capital represents the issued capital of Bingo Industries Limited ('the Company').

An adjustment is recognised at the date of the corporate reorganisation to adjust the value of issued capital corresponding to the issued capital of Bingo Holdings Pty Limited. See Note 22 for further information regarding the corporate reorganisation.

(ii) These share were issued at $1.80 per share.

Note 21: Reserves

		2017 $'000	2016 $'000
Group reorganisation reserve	(i)	(545,068)	-
Employee equity benefits reserve	(ii)	162	-
		(544,906)	**-**

(i) Group reorganisation reserve

Under the corporate reorganisation and initial public offering policy described in Note 1, the proceeds of shares issued by the Company as part of the IPO, and the equity retained by the shareholders are recognised in the corporate reorganisation reserve. An adjustment is then made to issued capital to eliminate the issued capital recognised in Bingo Holdings Pty Limited immediately before the corporate reorganisation. See Note 22 for further information regarding the corporate reorganisation.

	2017 $'000	2016 $'000
Group reorganisation reserve		
Opening balance	-	-
Return of capital to existing shareholders as consideration under share sale agreement	(356,608)	-
Equity retained by existing shareholders	(188,460)	-
Closing balance	(545,068)	-

(ii) Employee equity benefits reserve

The employee equity benefits reserve is used to record the value of equity benefits provided to employees as part of their remuneration. Refer to Note 28 for further details on these share based payment plans.

	2017 $'000	2016 $'000
Employee equity benefits reserve		
Opening balance	-	-
Share based payment expense	162	-
Closing balance	162	-

Note 22: Corporate reorganisation

On 9 May 2017 the shareholders of the Company and Bingo Holdings Pty Limited and its controlled entities undertook a corporate reorganisation process to facilitate an Initial Public Offering ("IPO"). Consequently, the Company acquired the already operating Bingo Holdings Pty Limited and its controlled entities (Pre-IPO Bingo Group).

This corporate reorganisation does not represent a business combination in accordance with AASB 3 'Business Combinations', and the appropriate accounting treatment for recognising the new group structure is on the basis that the transaction is a form of capital reconstruction and group reorganisation. Accordingly the financial statements have been presented as a continuation of the Pre-IPO Bingo Group. As such, financial statements of the Group include the historical financial information of the Pre-IPO Bingo Group for the period before the acquisition. These financial statements include the financial results for the Group from acquisition to 30 June 2017 and the Pre-IPO Bingo Group for the period 1 July 2016 to the date of acquisition.

The comparative information presented in the financial statements represents the financial position of the Pre-IPO Bingo Group as at 30 June 2016, and the financial performance of the Pre-IPO Bingo Group for the year ended 30 June 2016.

The equity structure in the consolidated financial statements, including the number and type of equity instruments issued at the date of acquisition reflects the equity structure of the Company. A corporate reorganisation reserve is recognised to record the difference between the amount paid to acquire the Pre-IPO Bingo Group and the share capital of Bingo Holdings Pty Limited.

Note 23: Dividends

No dividends were provided for or paid during the year ended 30 June 2017.

In relation to the year ended 30 June 2016 (prior to the corporate reorganisation), Bingo Holdings Pty Limited declared a final fully franked dividend on ordinary shares for the financial year ended 30 June 2016 of $1,636.36 per share (11,000 shares on issue), totalling $18 million. The dividend was paid on 30 June 2016.

	2017	**2016**
	$'000	**$'000**
Final fully franked dividend	-	18,000
Franking credit balance		
The available franking credits are:		
30% franking credits	24,732	8,335

Note 24: Commitments

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are transferred to entities in the consolidated group, are classified as finance leases. All other leases are classified as operating leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

	2017 $'000	2016 $'000
Finance Lease Commitments		
Within one year	2,436	12,820
Less unexpired charges	(736)	(819)
Between one and five years	18,003	14,015
Less finance costs	(738)	(821)
Total	**18,965**	**25,195**
Operating Lease Commitments Non-cancellable operating leases contracted for but not recognised in the financial statements:		
Non related payable - Within one year	1,120	1,383
Related party payable - Within one year	-	5,769
Non related party between 1 year and five years	4,115	7,788
Related party between 1 year and five years	-	32,499
Non related party after 5 years	3,223	9,476
Related party after 5 years	-	39,540
Total	**8,458**	**96,455**

Refer Note 29 for related party details.

	2017 $'000	2016 $'000
Capital commitments Significant capital expenditure contracted for at the end of the reporting period but not recognised as a liability is as follows:		
Property, plant & equipment	2,975	10,083

Note 25: Parent entity information

Set out below is the supplementary information about the parent entity for the period.

Statement of profit or loss and other comprehensive income

	2017 $'000
Profit / (loss) after income tax	-
Total comprehensive income	-

Statement of financial position

Total current assets	80,429
Total non-current assets	46,604
Total assets	127,033
Total current liabilities	1,332
Total non-current liabilities	-
Total liabilities	1,332
Equity	
- Issued capital	624,015
- Retained earnings	-
- Reserves	(498,314)
Total equity	**125,701**

Incorporation

Bingo Industries Limited was incorporated on 3 March 2017 and it is now the ultimate parent company of the Group, effective 9 May 2017. Therefore, there is no comparative financial information.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2017 (2016: Nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2, with the exception of investments in subsidiaries which are carried at historic cost.

Note 26: Company details

Bingo Industries Limited	New South Wales
Legal Form	Incorporated public company limited by shares
Country of incorporation	Australia
Registered office	305 Parramatta Road Auburn NSW 2144
Principal place of business	305 Parramatta Road Auburn NSW 2144

Note 27: Interests in subsidiaries

	Principal place of business	2017 %	2016 %
Bingo Property Pty Ltd [1]	Australia	100	-
Bingo Holdings Pty Ltd [2] (formerly Bingo Industries Pty Ltd)	Australia	100	100
Bingo Waste Services Pty Ltd	Australia	100	100
Bingo Bins Pty Ltd	Australia	100	100
Bingo Recycling Pty Ltd	Australia	100	100
Bingo Commercial Pty Ltd	Australia	100	100
Bingo Equipment Pty Ltd	Australia	100	100
OATI (NSW) Pty Ltd	Australia	100	100
Mortdale Recycling Pty Ltd	Australia	100	100
St Marys Recycling Pty Ltd	Australia	100	100
Adderley Recycling Pty Ltd	Australia	100	100
Burrows Recycling Pty Ltd	Australia	100	100
McPherson Recycling Pty Ltd	Australia	100	100
Minto Recycling Pty Ltd	Australia	100	100
Smithfield Recycling Pty Ltd	Australia	100	100
Bingo Office Pty Ltd	Australia	100	100
Bingo Acquisitions Pty Ltd	Australia	100	100
Bingo Investments Pty Ltd	Australia	100	100
Bingo IP Pty Ltd	Australia	100	100
Bingo Trademarks Pty Ltd	Australia	100	100
Toro Group Holdings Pty Ltd	Australia	100	100
Toro Waste Equipment (Aust) Pty Ltd	Australia	100	100
TW Auburn Pty Ltd	Australia	100	100
Bingo Education Pty Ltd	Australia	100	100
Bingo Pty Ltd	Australia	100	100
Gosford Recycling Pty Ltd [1]	Australia	100	-
Helensburgh Recycling Pty Ltd [1]	Australia	100	-
Newcastle Recycling (NSW) Pty Ltd [1]	Australia	100	-
Silverwater Recycling Pty Ltd [1]	Australia	100	-
Wollongong Recycling (NSW) Pty Ltd [1]	Australia	100	-
Revesby Recycling Pty Ltd [1]	Australia	100	-

1. Entity incorporated during the current year.
2. During the current year, the entity changed its name from Bingo Industries Pty Limited to Bingo Holdings Pty Limited.

All entities above are part of the tax consolidated group. Refer to Note 7 for further details.

Note 28: Share-based payments

The Board has adopted an incentive plan called the Equity Incentive Plan (EIP) to facilitate offers of equity in the form of options or performance rights to employees of the Group. Under the EIP, the Board may, in its absolute discretion, offer awards under the EIP to employees of the Group (including the Managing Director and Chief Executive Officer and the Chief Financial Officer).

Each performance right represents a right to have one Share issued to the holder of the performance right (or issued to a trust set up in connection with the Equity Incentive Plan on their behalf) on the vesting date. Each option represents a right to acquire one Share for a fixed exercise price per option following the vesting date and prior to the expiry date of the option. The Board has no current intention to issue options to employees under the EIP.

Share based payments have been adopted for short term incentives, long term incentives and the transactional bonus from the IPO.

(i) Short Term Incentives (STI)

As at 30 June 2017, no performance rights have been issued under the STI.

(ii) Long term incentives (LTI)

The LTI performance rights will be subject to an earnings per share compound annual growth (**EPS**) hurdle (50% of the grant value) and a relative total shareholder return (**TSR**) hurdle (compared to the ASX 300 Industrials constituents) (50% of the grant value).

These will be both tested over the first three years from the date of grant. 20% of the performance rights subject to the EPS hurdle will vest if EPS growth is at the target level and 100% will vest if EPS growth is at the stretch level or above with straight-line vesting in between. No EPS performance rights will vest if EPS growth is below the target level. Between 50% and 100% of the performance rights subject to the TSR hurdle will vest on a straight-line basis if the Group's TSR is between the 50th percentile and the 75th percentile with 100% vesting above the 75th percentile. No TSR performance rights will vest if the Group's TSR is at or below the 50th percentile. These performance hurdles are mutually exclusive so that if only one of these hurdles is satisfied, vesting will still occur for that portion of the grant.

The rights to Shares which will vest and be delivered in equal tranches on the date that is three and four years from the date of grant (i.e. the vesting date) subject to meeting specified service conditions and otherwise satisfying the terms of the EIP. No exercise price is payable.

At 30 June 2017, the following rights under the LTI scheme issued and not exercised are:

Grant Date	Tranche	End of Performance period	Number of Rights Granted during the year	Balance at the year end
13 April 2017	1	30 June 2020	323,484	323,484
13 April 2017	2	30 June 2021	323,484	323,484
Total			**646,968**	**646,968**

A Monte Carlo simulation approach was used to value the LTI awards subject to the relative TSR performance conditions. The fair value of the awards subject to the EPS performance condition was calculated using a risk neutral assumption.

Note 28: Share-based payments (cont.)

Fair Market Value	Tranche 1 (EPS)	Tranche 1 (TSR)	Tranche 2 (EPS)	Tranche 2 (TSR)
13 April 2017	$1.58	$1.00	$1.53	$0.97

Key valuation assumptions made at grant date were:

Key Assumptions	Tranche 1	Tranche 2
Grant date	13 April 2017	13 April 2017
Share price (a)	$1.75	$1.75
Expected volatility	36%	36%
Expected life	3.1 years	4.1 years
Risk free interest rate	1.91%	1.91%
Dividend yield	3.26%	3.26%

a. The share price reflected in the valuation represents the closing share price on the first day of trading on the Australian Stock Exchange (ASX).

(iii) Transactional Bonus

A transactional bonus was paid during the year following the completion of the IPO. 50% was paid in cash with the remaining 50% paid in the form of performance rights granted under the Equity Incentive Plan. The vesting of those rights was deferred for two years and subject to the executive remaining employed with the Group until the vesting date.

Grant Date	End of Performance period	Number of Rights
13 April 2017	12 April 2019	902,771

Expense arising from Share based payments

Transaction	2017 $'000	2016 $'000
LTI	33	-
Transactional Bonus	129	-
	162	**-**

The performance rights granted under the transactional bonus will be expensed over the vesting period.

Note 29: Related parties

(a) Parent entities

Bingo Industries Limited is the ultimate parent entity.

(b) Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 27.

(c) Key management personnel

Disclosures relating to key management personnel (KMP) are set out in the Remuneration Report on pages 14 to 22. The aggregate compensation made to directors and other members of key management personnel of the Company and the Group is set out below:

	2017	**2016**
	$	**$**
Short term employee benefits	1,129,569	592,702
Post-employment benefits	76,336	51,255
Other long term employee benefits	54,015	88,616
Equity settled share based payments	44,164	-
	1,304,084	732,573

(d) Wholly owned Group transactions

The wholly owned Group is listed in Note 27. Transactions between various entities in the Group consist of:

(i) Sales between entities

(ii) Recharging of operating and administrative costs

(e) Other related party transactions

As part of the corporate reorganisation process, the Group acquired land and buildings for $68.4 million (being the IPO properties). To assist the Directors with their assessment of deemed cost the properties were valued by independent third parties in March 2017. Refer to Note 13 for further details. No amount was outstanding at year end.

The Group leased various properties from entities controlled by the Pre-IPO Bingo Group shareholders on normal commercial terms and conditions. The commitments for these leases are outlined in Note 24. During the year $5,837,748 was paid (2016: $3,281,783). No amount was outstanding at year end.

The Group undertakes certain capital and maintenance work at the various properties which it contracts out to an entity controlled by the Pre-IPO Bingo Group shareholders. During the year $807,999 was paid (2016: $912,327). $789 was outstanding at year end (2016: $Nil). This has been repaid subsequent to year end.

Note 29: Related parties (cont.)

(e) Other related party transactions (cont.)

The Group has received financial advisory advice from an entity associated with a director to which fees of $231,000 (2016: $100,000) were paid. $165,000 was outstanding at year end (2016: $30,000).

The Group leased certain plant & equipment to entities controlled by the Pre-IPO Bingo Group shareholders. During the year $1,290,000 (2016: $840,000) was charged on normal commercial terms. At year end, total owing was $300,000 (2016: $1,423,000).This has been repaid subsequent to year end.

The Group provides certain waste management and maintenance services to entities controlled by the Pre-IPO Bingo Group shareholders on normal commercial terms and conditions. During the year $45,640 was received (2016: $Nil). No amount was receivable at year end (2016: $Nil).

All outstanding related party loans at 30 June 2017 have been repaid during the year.

Note 30: Events Subsequent to the End of the Reporting Year

On 29 August 2017, the Group announced that it will enter into the Victorian waste management market, with the acquisition of three waste management businesses located in the Melbourne metropolitan area. The businesses acquired are Konstruct Recycling, Resource Recovery Victoria, and AAZ Recycling, and associated entities. All businesses, including one parcel of land were acquired for a combined price of $38 million through existing debt facilities, with a three year call option to purchase an additional property for $7 million.The initial accounting for the business combination is incomplete at the time the Group's financial statements were authorised for issue, and accordingly details of the financial effect of the business combination have not been disclosed.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31: Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the group:

	2017	**2016**
	$	**$**
Audit and review of the financial statements	255,491	200,000
Other assurance services	420,000	-
Investigating accountants' report and review of forecast for Initial Public Offering	500,000	-
Tax consulting and compliance services	14,175	-
Total	1,189,666	200,000

Directors' Declaration

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) In the Director's opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 2 to the financial statements;

(c) In the director's opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) The Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors, pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Michael Coleman
Non-Executive Director and Chair

Daniel Tartak
Managing Director and Chief Executive Officer

29 August 2017
Sydney

Deloitte.

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Independent Auditor's Report to the Members of Bingo Industries Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bingo Industries Limited (the "Entity"), and its Controlled Entities (the "Group") which comprises the consolidated statement of financial position as at 30 June 2017, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter and why it was considered to be a matter of most significance in the audit</th><th>How the Key Audit Matter was addressed in the audit</th></tr>
<tr><td>Accounting for reorganisation

To facilitate the IPO there was a reorganisation of the legal corporate structure as disclosed in note 22.

The restructure is considered to be a capital reorganisation that was accounted for at book value. As part of the reorganisation significant transaction costs were incurred.

Judgement is required in determining the accounting treatment for the reorganisation as well as any related costs to ensure compliance with the relevant accounting standards.</td><td>Our procedures included, but were not limited to;
• Reviewing the underlying legal documents that facilitated the IPO and understanding the substance and legal form of the reorganisation;
• Evaluating management's application of the relevant Accounting Standards pertaining to the reorganisation and ensuring the appropriateness of the accounting treatment;
• Challenging the rationale management have used to allocate capital raising costs to either equity or expenses; and
• Assessing the appropriateness of the disclosures in Note 22 to the financial statements.</td></tr>
<tr><td>Accounting for acquisitions

During the financial year the Group made significant business acquisitions as disclosed in note 15.

Accounting for these transactions is complex and judgemental, requiring management to determine:
• whether the acquisitions represent a business;
• the appropriate classification of leases as a consequence of the acquisitions; and
• the appropriate purchase price allocation, including the fair value assessment of the identifiable tangible and intangible assets.</td><td>Our procedures included, but were not limited to;
• Understanding the process that management and the directors applied to recognise the acquisitions;
• Obtaining a detailed understanding of the terms and conditions of the purchase contracts to assess the accounting treatment;
• Evaluating management's assessment of the nature of the acquisition including the activities and assets acquired;
• Challenging the classification of leases;
• Assessing, in conjunction with our valuation specialists, the appropriateness of the discount rate and the values attributed to the acquired intangible assets and liabilities assumed as part of each business acquisition; and
• Assessing the appropriateness of the disclosures in Note 15 to the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year then ended 30 June 2017, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 15 of the Directors Report for the year ended 30 June 2017.

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

Responsibilities

The directors of Bingo Industries Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants
Sydney, 29 August 2017