Appendix 4E

for the year ended 30 June 2018

Bingo Industries Limited

ABN 72 617 748 231

Reporting period: 30 June 2018

Previous corresponding period: 30 June 2017

Results for announcement to the market

	30 June 2018 A$'000	30 June 2017 A$'000	Up/Down	% Change from year ended 30 June 2017
Revenue from ordinary activities	300,203	208,777	Up	43.8%
Profit from ordinary activities after tax attributable to members	38,003	19,834	Up	91.6%
Net Profit for the period attributable to members	38,003	19,834	Up	91.6%

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 1 July 2017 to 30 June 2018.

The comparative information presented in the financial statements represents the financial position for the Group as at 30 June 2017, and the financial performance of the Pre-IPO Bingo Group for the period 1 July 2016 to the date of acquisition and the Group from acquisition to 30 June 2017.

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
2018 interim dividend per share	1.72	1.72	30%
2018 final dividend per share	2.00	2.00	30%

(1) No dividend was payable with respect to the prior financial year ended 30 June 2017.

2018 final dividend dates	
Ex-dividend date	24 August 2018
Record date	27 August 2018
Payment date	27 September 2018

The Bingo Board has approved the activation of its Dividend Reinvestment Plan (DRP) adopted on 13 April 2017. The DRP allows eligible shareholders to reinvest dividends on all or part of their shareholding to acquire additional shares in the Company. The last day for the receipt of an election for participation under the DRP is 28 August 2018.

Net tangible assets per security

	30 June 2018 Cents	30 June 2017 Cents
Net tangible assets per security	38.2	20.0

Financial information

This report is based on the audited Bingo Industries Limited and Controlled Entities Consolidated Financial Report for the year ended 30 June 2018.

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 2018.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

Bingo Industries Limited and Controlled Entities
ABN 72 617 748 231

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 2018.

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 Note 1 "General Information" to the Financial Statements 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	
Maria Atkinson AM	Independent Non Executive Director	
Richard England	Independent Non Executive Director	
Barry Buffier	Independent Non Executive Director	(Appointed 2 July 2018)
Daniel Girgis	Non Executive Director	
Daniel Tartak	Managing Director and Chief Executive Officer	

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 businesses, 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

The Company declared fully franked dividends on ordinary shares pertaining to the financial year ended 30 June 2018 totalling 3.72 cents per share ($15.4 million in aggregate), being an interim dividend of 1.72 cents per share ($7.1 million in aggregate) and final dividend of 2.00 cents per share ($8.3 million in aggregate) declared subsequent to year end. The record date of the final dividend is 27 August 2018 with payment to be made 27 September 2018. The financial effect of the final dividend has not been brought to account in the financial report for the year ended 30 June 2018 and will be recognised in a subsequent financial report.

Recognised (Paid amounts)	2018 $'000	2017 $'000
Fully paid ordinary shares		
Final dividend for 2017: Nil (2016: N/A)	-	-
Interim dividend of 2018: 1.72 cents per share (2017: Nil)	7,119	-
Total dividends paid	**7,119**	**-**

The Bingo Board has approved the activation of its Dividend Reinvestment Plan (DRP) adopted on 13 April 2017. The DRP allows eligible shareholders to reinvest dividends on all or part of their shareholding to acquire additional shares in the Company.

The last day for the receipt of an election notice for participation under the DRP is 28 August 2018.

Operating and Financial Review

Review of Operations

Principal activities

Bingo is a leading recycling and waste management company operating across New South Wales and Victoria. Bingo operates across building & demolition (B&D) and commercial & industrial (C&I) waste streams with capabilities across waste collection, processing, separation and recycling components of the waste value chain.

Business Overview

Bingo's operations are organised across three key segments:

- Collections (Bingo Bins & Bingo Commercial)
- Post-collections (Bingo Recycling)
- Other (includes Toro and all other segments)

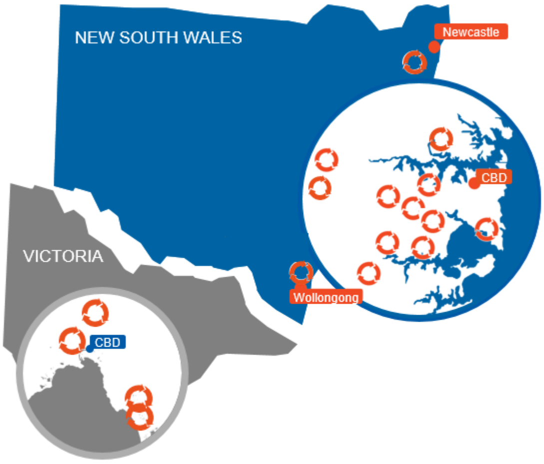
Directors' Report

Operating and Financial Review (continued)

Review of Operations (Continued)

Business Overview (Continued)

Including the sites acquired as part of the acquisitions announced in November 2017, NRG and Patons Lane, Bingo's operations include a network of 13 post-collections resource and recovery centres (RRCs) in NSW and 4 RRCs in Victoria. Bingo has a workforce of approximately 788 people and truck fleet of approximately 254 trucks across NSW and Victoria.



	Employees	RRCs	Fleet (trucks)
NSW	655	13	177
VIC	133	4	77
TOTAL	788	17	254

Executive snapshot of performance

Bingo has achieved a number of significant milestones over the 12 months to 30 June 2018 ("FY18"), including:

- Statutory[1] net profit after tax (NPAT) for the year was $38.0 million being an increase of $18.2 million, or 91.6% increase, on the Prior Comparative Period ("PCP" or "FY17")
- Strong year-on-year growth with net revenue increasing by 44.5% against the PCP to $303.8 million and pro forma[2] EBITDA[2] grew by 46.0% to $93.7 million
- Continued strong cash flow generation with 94.9% cash conversion for the year ended 30 June 2018
- Net bank debt was $136.6 million, representing a 32.3% increase to the PCP of $103.2 million. This implied a leverage ratio of 1.5x, which is at the lower end of the target leverage range.
- Delivered on the Company's growth strategy by successfully entering the Victorian market through acquisitions, increasing Bingo's post collections network to 17 RRCs across New South Wales and Victoria
- LTIFR[3] of 1.5 as at 30 June 2018, 65% improvement from the PCP of 4.3 as at 30 June 2017
- Secured a number of significant infrastructure contracts which include Sydney Trains, renewal of NorthConnex, WestConnex and M5 tunnel
- Network operating capacity increased from 1.5 million tonnes per annum as at 30 June 2017 to 2.2 million tonnes per annum as at 30 June 2018
- Development programme on track and on budget with 4 of the 11 developments completed during the year - Artarmon, Campbellfied, Greenacre and Kembla Grange (Stage 1)

[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 acquisitions, the integration of acquisitions and 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.

[2] EBITDA represents profit before net interest, income tax, depreciation and amortisation expense.

[3] LTIFR refers to Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million hours worked.

Directors' Report

Operating and Financial Review (continued)

Review of Financials

Summary of Financial Performance

	Full year ended 30 June 2018 $ millions	Full year ended 30 June 2017 $ millions	YoY Variance %
Revenue and other income	303.8	210.1	44.5%
Pro forma EBITDA	93.7	64.1	46.0%
Pro forma EBITDA margin	30.8%	30.5%	0.3%
Pro forma EBIT	71.8	50.5	42.0%
Pro forma NPAT	45.6	32.0	42.0%
Statutory NPAT	38.0	19.8	91.6%
Pro forma NPATA	48.2	33.3	44.8%

A reconciliation of the FY18 statutory to pro-forma actual results is summarised as follows:

	Note	Sales $ millions	EBITDA $ millions	EBIT $ millions	NPAT $ millions	NPATA $ millions
FY18 statutory results		303.8	87.2	61.9	38.0	38.0
Acquisition costs	1			2.3	2.3	2.3
Capital raising costs	2			0.8	0.8	0.8
Integration costs	3		6.5	6.5	6.5	6.5
Prepayment amortisation	4			0.3	0.3	0.3
Pro forma tax adjustment	9				(2.3)	(3.4)
Customer contract amortisation	10					3.7
FY18 pro forma results		**303.8**	**93.7**	**71.8**	**45.6**	**48.2**

For completeness, a reconciliation of the FY17 statutory to pro-forma actual results is also summarised below:

	Note	Sales $ millions	EBITDA $ millions	EBIT $ millions	NPAT $ millions	NPATA $ millions
FY17 statutory results		210.1	60.6	33.3	19.8	19.8
Acquisition costs	1			0.1	0.1	0.1
Capital raising costs	2			13.6	13.6	13.6
Prepayment amortisation	4			0.4	0.4	0.4
Rent reversal on IPO properties	5		5.6	5.6	5.6	5.6
Depreciation on IPO properties	6			(0.4)	(0.4)	(0.4)
Interest on debt	7				(0.3)	(0.3)
Public company costs	8		(2.1)	(2.1)	(2.1)	(2.1)
Pro forma tax adjustment	9				(4.7)	(5.1)
Customer contract amortisation	10					1.7
FY17 pro forma results		**210.1**	**64.1**	**50.5**	**32.0**	**33.3**

Operating and Financial Review (continued)

Review of Financials (continued)

Summary of Financial Performance (continued)

Notes accompanying table on previous page:

1 Acquisition costs incurred represent fees paid to advisers related to the acquisition of businesses and will not be recurring.
2 Capital raising costs incurred represent fees paid to advisers and other direct/indirect costs related to the IPO. The group incurred total capital raising costs of $0.8 million in FY18, which primarily relates to the amortisation of performance rights granted under the transaction bonus over the vesting period that was paid during the year ended 30 June 2017 following the completion of the IPO. The amount will be fully amortised by the financial year ending 30 June 2019.
3 Integration costs represent the costs incurred by Bingo to integrate businesses acquired into the Group. Integration costs include bringing the operations in line with Bingo standards, compliance costs, marketing, travel, employee costs, as well as an allocation of internal management resources.
4 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.
5 IPO properties refers to land and buildings acquired from director related entities as part of the corporate reorganisation process (IPO Properties). Rent on IPO Properties represents amounts paid for rent on properties that were acquired by the Group pursuant to the IPO and therefore will not be incurred in future periods.
6 Depreciation on the IPO Properties represents the depreciation of buildings contained on the properties that were acquired by the Group pursuant to the IPO, calculated from the date that Bingo commenced using each respective property at a depreciation rate of 2.5% per annum.
7 Interest on debt represents the estimated interest, calculated in accordance with the terms of the current 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.
8 Public company costs represent 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.
9 Represents the income tax impact of the pro forma adjustments (excluding acquisition costs), calculated at 30%.
10 Customer contracts are being amortised over five years.

Highlights for the full-year include:

- Total revenue and other income of $303.8 million, an increase of $93.6 million or 44.5% from $210.1 million in the PCP
- Pro forma EBITDA of $93.7 million, an increase of $29.6 million or 46.0% on the PCP
- Statutory NPAT of $38.0 million, an increase of 91.6% on the PCP
- Pro forma NPAT of $45.6 million, an increase of 42.0% on the PCP
- Pro forma Group EBITDA margin of 30.8%, up from 30.5% in the PCP

Between FY17 and FY18 revenue grew by $93.6 million to $303.8 million in FY18, this movement was predominately driven through a combination of organic growth and acquisitions across the collections and post collections operating segments. Pro forma EBITDA increased to $93.7 million compared to $64.1 million in the PCP. Group pro forma EBITDA margin increased by 0.3% to 30.8%, this increase in margin was largely due to additional resource recovery centres within the network and redevelopment of key RRC's with advanced recycling equipment.

Total costs grew by 37.0% from $181.4 million in FY17 to $248.5 million in FY18. However, on a percentage of revenue basis, total costs decreased to 81.8% of revenue relative to 86.3% in the PCP.

The absolute movement in costs was primarily driven by:

- Increased volumes across all segments of the Group, leading to increased tipping costs, in combination with an increase in the price of fuel and toll fees
- Increased investment in human capital and truck and machinery costs in line with growth of the business due to expansion of collections fleet as well as the post-collections footprint
- Increased corporate costs associated with acquisitions

Operating and Financial Review (continued)

Review of Financials (continued)

Summary of Financial Performance (continued)

	Note	Full year ended 30 June 2018 $ millions	Full year ended 30 June 2017 $ millions	YoY Variance %
Total bank borrowings	1	158.0	116.5	35.6%
Net bank debt	2	136.6	103.2	32.3%
ROCE (%)	3	20.1%	28.7%	(8.6%)
Net working capital (NWC)	4	(3.1)	10.9	n/a
Cash Conversion (%)	5	94.9%	95.2%	(0.3%)

Notes:
1 Total Bank Borrowings = Bank loans only (Excludes Finance lease liabilities and Borrowing costs).
2 Net bank debt = Total Bank Borrowings - Cash
3 ROCE (%) = (Pro forma EBIT) / (Average total borrowings + Average equity)
4 NWC = Current Assets - Current Liabilities
5 Cash Conversion = (Operating cash flow + Income tax paid + Acquisition & Integration costs + Rectification works[4]) / (Pro forma EBITDA)

Highlights for the full-year include:

- Net bank debt of $136.6 million, implying a leverage ratio[5] of 1.5x
- Operating cash conversion of 94.9%, above the group target of 90%
- Return on Capital Employed (ROCE) of 20.1%
- Net working capital ("NWC") deficit of $3.1 million, down from a surplus of $10.9 million

FY18 net bank debt of $136.6 million implying a leverage ratio of 1.5x. Bingo's facility limit under its banking facilities as at 30 June 2018 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.

Operating free cash flow for FY18 was $88.9 million, up from $61.1 million in FY17, with cash conversion of 94.9% in FY18. The Company's NWC was a $3.1 million deficit primarily due to current liabilities including the second instalment for Patons Lane in December 2018[6]. Further cash flow generation occurred in FY18 with increased earnings from recent acquisitions.

Capital expenditure has historically comprised expenditure on maintenance, growth projects and investment in the truck and bin fleet, as well as the acquisitions of the businesses. FY18 capital expenditure was $206 million which included:

- $43 million for growth and maintenance capex
- $38 million associated with the Victorian acquisitions
- $7 million associated with NSW acquisitions
- $51 million for the acquisition of National Recycling Group
- $37 million related to the acquisition of Patons Lane land
- $30 million on development projects

[4] Rectification works refers to $3.3 million for costs associated with Kembla Grange rectification works and is expected to be fully recoverable.
[5] Leverage ratio = (Net bank debt) / (FY18 pro forma EBITDA)
[6] As the second and third payments for Patons Lane are deferred beyond normal credit terms, the amount recognised as a current ($29.53 million) and non-current ($28.90 million) liability is measured as the present value of the expected future payments. Refer also to Note 17 of the full year financial report for further information.

Directors' Report

Operating and Financial Review (continued)

Operating Sectors

As noted above, Bingo currently reports across three operating segments - Collections, Post-Collections and Other.

I. Collections

	Full year ended 30 June 2018 $ millions	Full year ended 30 June 2017 $ millions	YoY Variance %
Revenue and other income	176.9	121.8	45.2%
Statutory EBITDA	41.6	28.1	48.1%
Pro forma EBITDA	41.6	28.1	48.1%
Pro forma EBITDA margin (%)	23.5%	23.1%	0.4%

Bingo collects and transports waste from customers to post-collections facilities.

Collections revenue and other income grew 45.2% to $176.9 million from $121.8 million in the PCP, primarily driven by increased volumes within the NSW network across both B&D and C&I waste streams as well as the expansion into Victoria. Notable contract wins in the infrastructure sector, include Sydney trains awarded for 5 years, Lend Lease NSW shopping centres awarded for 3 years, Crown Casino Sydney awarded for 4 years and NorthConnex contract extended for a further 2 years. Bingo's fleet of trucks increased from 173 as at 30 June 2017 to 254 as at 30 June 2018.

Outlook and strategic focus

The Group will continue to leverage its existing operational footprint to target further critical infrastructure projects, commercial opportunities and residential and non-residential construction. The NSW and Victorian Government's commitment to significant infrastructure programs presents multiple opportunities across Bingo's vertically integrated platform. An increased focus from local governments and the private sector on achieving greater diversion rates from landfill will benefit Bingo's business model to bid and win more work across the B&D and C&I waste streams. Favourable macroeconomic tailwinds for Collections are expected to continue.

II. Post-Collections

	Full year ended 30 June 2018 $ millions	Full year ended 30 June 2017 $ millions	YoY Variance %
Revenue and other income	172.6	116.8	47.7%
Statutory EBITDA	48.7	29.3	66.3%
Pro forma EBITDA[7]	48.7	34.3	42.2%
Pro forma EBITDA margin (%)	28.2%	29.3%	(1.1%)

Bingo Recycling separates and recycles waste collected from Bingo Bins, Bingo Commercial and from external customers. Bingo Recycling diverts waste from landfill by sorting and processing mixed waste received from customers to be reused, recycled or sent to other facilities for further processing. Post-Collections currently consists of a network of 13 RRCs located in NSW and 4 RRCs in Victoria. The freehold properties of Artarmon and Campbellfield acquired as part of the NRG acquisition came on line in March 2018. Patons Lane RRC was not operational and is expected to be operational in July 2019.

[7] In the PCP, Post Collections pro forma EBITDA includes an adjustment of $5.0 million for rent reversal on IPO properties. Rent on IPO properties represents amounts paid for rent on properties that were acquired by the Group pursuant to the IPO and therefore will not be incurred in future periods.

Operating and Financial Review (continued)

Operating Sectors (continued)

II. Post-Collections (Continued)

Post-Collections revenue and other income increased to $172.6 million which represents a 47.7% improvement on the PCP. Pro forma EBITDA margin decreased by 1.1 percentage points to 28.2% from 29.3% in FY17. The movement in margin was primarily driven by higher operating costs including disposal costs and fuel, together with a lower margin in Victoria.

Outlook and strategic focus

Bingo has invested heavily in its strategic network of recycling infrastructure in recent years, including investment in advanced and bespoke equipment for resource recovery. This investment has positioned the Company for future growth, by having the ability to process greater waste volumes (both from external customers and Bingo's collections operations), particularly given the strong outlook for growth in Sydney's western regions, as well as the recent investments into Victoria.

III. Other

	Full year ended 30 June 2018 $ millions	Full year ended 30 June 2017 $ millions	YoY Variance %
Revenue and other income	27.7	19.2	44.2%
Statutory EBITDA	(3.2)	3.2	n/a
Pro forma EBITDA	3.3[8]	1.8[9]	85.2%
Pro forma EBITDA margin (%)	11.9%	9.3%	2.6%

Other includes the manufacture and sale of bins for both Bingo's collections operations and for external customers through Toro, as well as unallocated corporate costs which includes integration costs. Toro is an important driver of Bingo's ability to provide high service levels to Bingo Bins and Bingo Commercial customers by ensuring that Bingo has sufficient supply of waste equipment to meet Bingo's standards of quality and growth objectives.

Other revenue and other income increased to $27.7 million, a 44.2% increase against the PCP. Growth in revenue was largely driven by increased waste volumes driving demand for bins from Bingo and external customers as well as the entry into Victoria; external revenue and other income represented 58% of FY18 revenue.

Pro forma EBITDA increased from $1.8 million to $3.3 million and pro forma EBITDA margin is 11.9%, an increase of 2.6 percentage points from the PCP.

Outlook and strategic focus

Toro currently manufactures a wide range of bins to service B&D and C&I waste streams, with expansion into mechanical waste equipment as an area of focus for future growth. Increasing waste volumes in the market provides Toro with a significant opportunity for future organic growth servicing both Bingo and external customers.

[8] In the current year, Other pro forma EBITDA includes an adjustment of $6.5 million for integration costs incurred by Bingo to integrate businesses acquired into the Group. Integration costs include bringing the operations in line with Bingo standards, compliance costs, marketing, travel, employee costs, as well as an allocation of internal management resources.

[9] In the PCP, Other pro forma EBITDA includes an adjustment of $2.1 million for public company costs which 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. The PCP also includes an adjustment of $0.6 million for rent reversal on IPO properties. Rent on IPO properties represents amounts paid for rent on properties that were acquired by the Group pursuant to the IPO and therefore will not be incurred in future periods.

Directors' Report

Operating and Financial Review (continued)

Strategy and Outlook

Group strategy

During the period, Bingo management refreshed its Group strategy. Our ethos remains unchanged; our principal strategic intent is diversion of waste from landfill, through a recycling led solution, investment in technology and continuous innovation to maximise returns. For Bingo, disruption and innovation are fundamental to our growth story.

We have identified three key pillars of growth:

- **Protect and optimise the core** - greater penetration of our existing market from existing services and customers. We continue to evolve our customer-centric model and operating systems to deliver the highest service levels
- **Geographic expansion** - East Coast focused expansion through a combination of inorganic and organic means. We are focused on markets with the most favourable growth drivers and continue to leverage our strong market relationships and disciplined M&A program
- **Enhanced vertical integration** - greater internalisation of waste volumes across the waste value chain. This will include investment in C&I waste treatment, Alternative Waste Treatment, Refuse-Derived Fuel and Energy from Waste solutions.

These enablers are underpinned by five key strategic priorities:

- **Safety** - embed a safety-first culture across the business
- **Customer service** - meet or exceed customer expectations day in and day out
- **Growth & innovation** - through product expansion and greater market penetration
- **Diversion** - recycling led solution together with new technology to enhance diversion rates
- **Develop & retain talent** - invest in training and initiatives to promote engagement

These strategic priorities will be delivered within a stringent financial framework and will underpin our growth over the medium to long term.

Environment Social & Governance

Bingo's business model is underpinned by a focus on sustainable growth that benefits all its stakeholders. Bingo's core focus is on diverting waste from landfill that could otherwise be recovered or recycled through investing in new technology to increase recovery rates. Recycling activities now represent more than half of Bingo's total group revenue and as such, it is uniquely positioned to lead the industry by being a steward for change. Bingo is committed to maintaining strong governance and safety standards and driving social change through innovation and education.

Bingo is committed to being a leader in the waste management sector in minimising harmful impacts on the environment. Bingo manages its environmental responsibilities through its ISO 14001 accredited environmental management systems.

Bingo's Auburn and Minto resource recovery facilities achieved independently reviewed recovery rates of 79% and 75% respectively for the year ended 30 June 2017 ("FY17"). Bingo intends to include other sites in the recovery audit.

Industry dynamics and market outlook

The Australian waste sector is characterised by strong growth fundamentals and there are a number of key factors that are expected to continue to drive increased waste generation and demand for waste management services, principally:

- economic prosperity;
- increasing population growth;
- urbanisation in metropolitan areas;
- rising environmental awareness and more stringent Government waste regulations favouring recycling and diversion from landfill; and
- pipeline of infrastructure and construction activity.

Operating and Financial Review (continued)

Strategy and Outlook (continued)

Industry dynamics and market outlook (continued)

Bingo expects medium term revenue growth to continue at above Gross Domestic Product ("GDP") growth levels.

B&D waste is generated as a result of infrastructure, construction and demolition activity, which represents the largest waste category by volume in Australia[10]. There is a strong and growing pipeline of non-residential, residential and engineering construction projects in NSW and Victoria, with over $120 billion in construction activity per annum forecast over the next four years. The Australian Federal and State governments have committed to investing significantly in critical infrastructure. This $140 billion state infrastructure pipeline across NSW and Victoria will provide ongoing growth in B&D waste volumes, with Bingo securing a number of contracts for waste management services to these projects.

C&I waste is generated from a range of commercial and industrial activities by both businesses and Government. Therefore, the outlook for the market can be observed with reference to the NSW and Victorian economies. The Australian Bureau of Statistics measure of state domestic product in Victoria and New South Wales is forecast to be greater than 3 per cent throughout 2017-18. The NSW and Victorian State Governments' are forecasting above-trend economic growth over the next 2 years. Bingo Commercial continues to aggressively pursue growth in the C&I segment with significant successes in tendering for large customer contracts. Bingo is seeking to continue to gain market share through leveraging its integrated post collections network, market leading recovery rates, Bingo Live operating system and Toro's capabilities in delivery of high quality bins and waste equipment to newly contracted customers.

Outlook and guidance

The Group will continue to pursue strategies aimed at improving the profitability, ROCE and market position of its principal activities.

Significant Changes in the State of Affairs

Victorian and New South Wales acquisitions

On 29 August 2017 Bingo announced its initial expansion into the Victorian market with the acquisition of three waste management businesses. The businesses acquired were Konstruct Recycling on 2 October 2017, AAZ Recycling on 3 October 2017 and Resource Recovery Victoria on 16 October 2017. The businesses, including one parcel of land, were acquired for a combined price of $38 million, with a three-year call option to purchase an additional property for $7 million. Please refer to the ASX announcement dated 29 August 2017 for further detail in respect to the acquisitions and entry into the Victorian market.

On 8 January 2018, the Group completed the acquisition of National Recycling Group ("NRG")[11]. The acquisition price for NRG consisted of $37.7 million for the operating business and $13.4 million for the two freehold properties. NRG is a building and demolition recycling and waste management business servicing customers in NSW and Victoria; operating under the brands - DATS Environmental Services, Melbourne Recycling Centres and Harpers Bin Hire. The transaction consolidates Bingo's vertically integrated recycling and waste management business in NSW and accelerates its expansion in Victoria.

The acquisitions are consistent with Bingo's long-term growth strategy to build a national and integrated waste management business. The acquisitions together with the identified organic redevelopment of existing assets will expand Bingo's network capacity across New South Wales and Victoria to 3.4 million tonnes per annum by 2020, from our existing capacity of approximately 1.7 million tonnes per annum.

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[10] Australian National Waste Report, 2016.

[11] The NRG acquisition completed on 8 January 2018, other than the acquisition of the freehold property at Artarmon which completed on 23 February 2018.

Directors' Report

Significant Changes in the State of Affairs (continued)

Equity Raising

On 27 November 2017 Bingo announced the acquisition of NRG and Patons Lane Recycling Centre and Landfill ("Patons Lane"). NRG was acquired on 8 January 2018 and Patons Lane was acquired on 11 December 2017.

The acquisition price for NRG consisted of $37.7 million for the operating business and $13.4 million for the two freehold properties. The acquisition price for Patons Lane of $90 million is structured over three payments between December 2017 and July 2019. The acquisitions were funded as part of a 1 for 5.55 $120 million pro-rata accelerated non-renounceable entitlement offer.

Please refer to the ASX announcement and investor presentation dated 27 November 2017, which provides shareholders with more detail in respect to the equity raising and acquisitions. Refer also to Notes 14, 16 and 21 of the financial report for the year ended 30 June 2018 for further information.

Matters Subsequent to the End of the Financial Year

Debt refinancing

On 20 August 2018, the Group refinanced its principal debt facility, increasing the commitment from $200 million to $400 million (plus an accordion facility of up to $100 million). The prior debt facility was established around the time of the IPO, the increase in size of the facility is now aligned with the current scale of operations and finance requirements of the business. The new facility extends the maturity date from July 2020 to August 2021 and provides greater flexibility to manage the business while the administration of the facility has been simplified.

Final dividend

On 21 August 2018, the Directors of the Company declared a final dividend on ordinary shares with respect to the year ended 30 June 2018. The total amount of the dividend is $8.30 million, which represents a fully franked dividend of 2.00 cents per share. The dividend has not been provided for in the financial statements for the year ended 30 June 2018.

Acquisition of Dial-a-Dump Industries and $425 million Entitlement Offer

On 21 August 2018, the Group announced it had entered into a binding agreement to acquire Dial-a-Dump Industries ("DADI") for an enterprise value of $577.5 million. Consideration for the acquisition is expected to comprise $377.5 million in cash and the residual in Bingo shares to be issued to the vendors of DADI at completion of the acquisition.

DADI is a fully integrated waste management business in NSW with operations across the waste value chain from collections to recycling, landfill and recycled product sales. Assets to be acquired through the acquisition include:

- Genesis Transfer Station in Alexandria, NSW.
- Genesis Waste Facility (landfill, materials processing facility and recycled product processing facility) in Eastern Creek, NSW; and
- Collections fleet of approximately 55 vehicles.

Separately, the Group will also acquire two freehold properties located in Melbourne and Sydney (Bingo currently rents the Sydney property).

The acquisition will be partly funded by an underwritten 1 for 2.48 pro-rata accelerated, non-renounceable entitlement offer priced at $2.54 per ordinary share to raise $425 million. The residual of the consideration for the acquisition will be satisfied by the issue of new Bingo shares to the vendors upon completion of the acquisition.

Other than the above, there have been no other matters or circumstances that have arisen since 30 June 2018 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 to grow in future, 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 2 to 10 of this financial 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.

The Environment Protection Authority (EPA) has commenced proceedings against Mortdale Recycling Pty Ltd and Minto Recycling Pty Ltd in respect of throughput exceedances at each of the Mortdale and Minto facilities. As the matters are before the Court it is not possible to foreshadow the penalty that may possibly be imposed, however Bingo is of the view that any penalty will not be material to earnings.

Information on Directors

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

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

Name	Particulars
Michael Coleman *Chairman* *Non Executive Director* *FAICD, FCA, FCPA* Member of the People and Culture Committee(i) Member of the Continuous Disclosure Committee	• A senior audit partner with KPMG 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, Board Member of the Australian Institute of Company Directors and a Director and Chair of the Audit Committee of Legal Aid NSW. • 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.
Daniel Tartak *Managing Director and Chief Executive Officer* Member of the Continuous Disclosure Committee	• CEO for the past 3 years, with over 14 years' experience in the waste management business. • An inspirational leader who is leading the process to disrupt the status quo and drive positive change across the recycling and waste management industry. • Pioneered the new strategic direction that has successfully expanded Bingo's bespoke recycling centres and quintessential collections fleet across NSW and Victoria. • A proven track record in operations management, acquisitions and integrations and organic business growth, that has successfully positioned Bingo as an industry leader in the NSW and Victorian markets. • An innovative leader with an entrepreneurial flare, whose foresight and vision has brought about the implementation of information technology systems that differentiates itself in the industry and a step ahead of the rest.

(i) On 30 July 2018 the Nomination and Remuneration Committee was renamed to People and Culture Committee.

Information on Directors (Continued)

Name	Particulars
Daniel Girgis, CFA *Non Executive Director* *AppFin, BCom - ActStud* 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 Bingo Group. • Instrumental in the restructure of the business and its growth, providing valuable strategic direction as Bingo has expanded organically and through acquisitions.
Maria Atkinson AM *Non Executive Director* *BAppSc, GAICD* Chair of the People and Culture Committee(i) 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. • 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. • Eastern District Commissioner for the Greater Sydney Commission leading strategic planning for the city
Richard England *Non Executive Director* *FCA, MAICD* Chair of the Audit and Risk Committee Member of the People and Culture Committee(i)	• Currently Chairman of QANTM Intellectual Property Limited and Non-Executive Director of Atlas Arteria Limited (formerly 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.
Barry Buffier AM *Non Executive Director* *FAICD, B.Rur Sc(hons), M Econs*	• Former Chairman and CEO of the NSW Environment Protection Authority (EPA) from 2012 to 2018. • Deputy Director General of Industry & Investment NSW between 2009 to 2012. • Prior to 2009 held Director-General roles at both the NSW Department of State & Regional Development and NSW Department of Primary Industries and was also National Manager, Agribusiness, at Westpac.

(ii) On 30 July 2018 the Nomination and Remuneration Committee was renamed to People and Culture Committee.

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

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		People and Culture Committee[4]		Continuous Disclosure Committee	
Directors	**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**
Michael Coleman[1]	13	13			4	4	4	4
Maria Atkinson AM[3]	13	13	3	3	4	4		
Richard England[2]	13	13	3	3	4	4		
Daniel Girgis	13	13	3	3				
Daniel Tartak	13	13					4	4

1 Chair of the Board.
2 Chair of Audit and Risk Committee.
3 Chair of People and Culture Committee.
4 On 30 July 2018 the Nomination and Remuneration Committee was renamed to People and Culture Committee.

Directors' Report

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 2018 as follows:

Directors	Ordinary Shares	Performance Rights over Ordinary Shares
Michael Coleman	113,860	-
Maria Atkinson AM	32,986	-
Richard England	52,452	-
Daniel Girgis	-	55,555
Daniel Tartak	70,744,298	183,333

Shares Under Option

During the financial period ended 30 June 2018 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 2018 financial period are set out in the Remuneration Report. Total performance rights outstanding as at 30 June 2018 are 1,681,154 (2017: 1,549,739). Performance rights outstanding at the date of this report are 2,018,437.

Shares Issued on the Exercise of Performance Rights

During the financial period ended 30 June 2018 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 (2017: 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 34 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 34 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 30.

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

21 August 2018
Sydney

Remuneration Report (audited)

A message from our Chair of the People & Culture Committee

Dear Shareholder,

Our people can be at their best when they feel connected to our purpose and values, when we give them the tools they need to perform, and then recognise their roles in achieving our goals and strategic objectives.

On behalf of the People & Culture Committee, I present to you the Bingo Industries Remuneration Report for financial year 2018.

The preservation of the core of the Bingo culture in our year of extraordinary growth has been important and key to the successful integration of people from the various businesses we have acquired into our 'Bingo Way'.

Having a unified culture is important and our cultural pulse activities have shown that we are achieving our integration goals.

We have recently renamed our committee from the 'Nomination & Remuneration' to 'People & Culture' to better describe our interests and responsibilities and recognise the contemporary culture of Bingo.

Our year since listing has included the implementation for our Executive Rewards Program. Our goal is to reward our talent and support our people to outperform over the short and long term. We have introduced our Long and Short Term Incentive Plans, which reflect the alignment of our Executive Leadership Team actions with the pursuit of our strategic and operational outcomes which includes creating shareholder value.

Our contemporary approach to rewards seeks to drive collaborative behaviours and out-performance, ensure alignment across activities and responsibilities and encourage the sustainable positive impact growth ambitions of Bingo.

Throughout the year Bingo Industries has delivered strong financial and non-financial results, always with the Bingo Way at the heart of all we do. The results for FY18 are best illustrated by our TSR of 47% and EPS growth of 53%. These are key metrics in our Long Term Incentive Plan. Our Short Term Incentives link operational performance with reward and as demonstrated later in this report have set appropriate stretch goals for employees to outperform our target expectations and be incentivised to do so.

We have spent time understanding, reviewing and assessing the effectiveness of our rewards program in this first year of our listed entity journey and we remain committed to learning from best practice and improving our program. We want to ensure we utilise the most effective methods possible to incentivise and reward our people for their contributions to the success of Bingo Industries.

Maria Atkinson, AM
Chair, People & Culture Committee

21 August 2018
Sydney

Remuneration Report (audited)

Contents

Remuneration Report (audited)

1. Executives & Non-Executive Directors Covered by This Report

The following Executives and Non-Executive Directors are considered Key Management Personnel (KMP) for the year ended 30th June 2018 and are covered by this report.

Chief Executive Officer & Senior Executive Leaders		
Name	**Position**	**Time as KMP**
Daniel Tartak	Managing Director and Chief Executive Officer	Full Year
Anthony Story	Chief Financial Officer	Full Year
Chris Jeffrey	Chief Development Officer	Appointed 1 July 2017
Geoffrey Hill	Chief Operating Officer	Appointed 13 November 2017

Note: there are no former Senior Executive Leaders to report on. The term Senior Executive Leader refers to all of the Executives listed above, unless specifically stated otherwise

Non-Executive Directors		
Name	**Position**	**Time as KMP**
Michael Coleman	Chair, Non-Executive Director	Full Year
Maria Atkinson AM	Non-Executive Director	Full Year
Richard England	Non-Executive Director	Full Year
Daniel Girgis	Non-Executive Director	Full Year

Remuneration Report (audited)

2. Our Rewards Framework & Philosophy

We continue the Bingo legacy of growth, recognising contributions through the Executive Rewards Program in place for our senior people and also other reward and recognition programs across the entire organisation.

Our Executive Rewards Program supports our vision and strategic intent and will continue to evaluate its effectiveness in achieving the culture and performance we want. The following diagram shows the framework that supports our Executive Rewards Program:

Non- Executive Director Remuneration

There was no change to the remuneration of Non Executive Directors in the past 12 months. In determining the level of pay - our consideration framework included:

- Fees paid to Board members of comparable publicly listed Australian companies;
- Operational and regulatory complexity; and
- Responsibility, workload and time required of each Board member.

Our Non Executive Directors do not receive performance or incentive based pay or lump-sum retirement benefits.

2. Our Rewards Framework & Philosophy (continued)

Non- Executive Director Remuneration (continued)

Over the next financial year we will form a policy position relating to the requirement of a minimum bingo shareholding for our Non Executive Directors.

The annual Non Executive Directors' fees are :

- Independent Chair - $175,000; and
- Other Non Executive Directors - up to $120,000.

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

		Short term benefits		Post employment benefits	Long term benefits		
Name	**Year**	**Cash salary and Fees**	**STI**	**Superannuation**	**Annual & long service leave**	**Share based payments**	**Total**
Non Executive Directors							
Michael Coleman (i)	2018	$ 175,000	-	-	-	-	$ 175,000
	2017	$ 48,544	-	-	-	-	$ 48,544
Maria Atkinson (i)	2018	$ 120,000	-	-	-	-	$ 120,000
	2017	$ 33,287	-	-	-	-	$ 33,287
Richard England (i)	2018	$ 120,000	-	-	-	-	$ 120,000
	2017	$ 33,287	-	-	-	-	$ 33,287
Daniel Girgis (i) (ii)	2018	$ 120,000	-	-	-	$ 50,000	$ 170,000
	2017	$ 33,287	-	-	-	$ 10,685	$ 43,972
Total	**2018**	**$ 535,000**	**-**	**-**	**-**	**$ 50,000**	**$ 585,000**
Total	**2017**	**$ 148,405**	**-**	**-**	**-**	**$ 10,685**	**$ 159,090**

(i) Appointed 22 March 2017.
(ii) Mr Girgis received a transactional bonus on the completion of the IPO of the equivalent of $100,000 in performance rights deferred for 2 years subject to remaining in office.

Senior Executive Leader Remuneration

Our Executive Rewards program continues to evolve as we grow. Our goal is to attract, retain and motivate a highly qualified and experienced management team with the necessary capabilities and attributes to lead our people in achieving our long and short term objectives and create value for our shareholders.

Our rewards program aims to encourage a collaborative approach in the pursuit of our outperformance goals by rewarding the achievement of both overall group and individual targets. The targets we have set are a mixture of financial and non-financial, they are challenging, clear and within the control of individuals to achieve either directly through their own actions or through the actions of the people that they lead.

The objective of our Executive Rewards program is to ensure that it is competitive and appropriate against the outcomes and results achieved. Our aim is to reward our executives in line with market practice, taking into account their position, responsibilities and performance within the Group and benchmarked against average commensurate organisations. Our key components provide a mix of fixed and variable (at risk) pay and short and long term incentives.

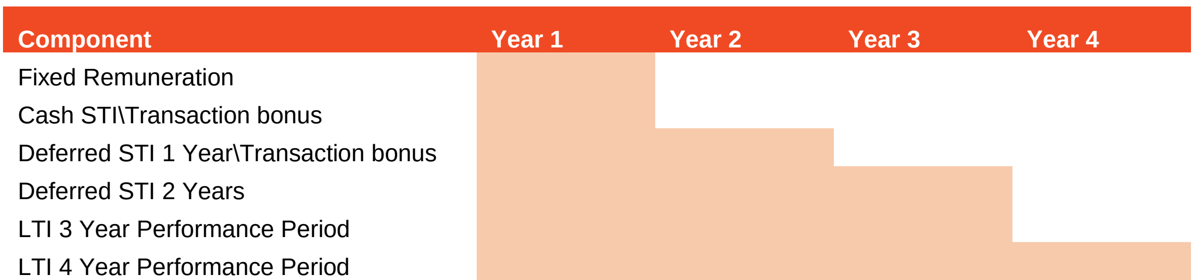
Remuneration Report (audited)

2. Our Rewards Framework & Philosophy (continued)

Senior Executive Leader Remuneration (continued)

Component	Description
Fixed Remuneration	Annual remuneration paid regularly in the form of base pay (cash), superannuation and where relevant other applicable allowances. This component is not at risk and is independently benchmarked against comparable roles.
Short Term Incentive	Annual, variable at risk opportunity, linked to the achievement of specific objectives in a given performance period. It is designed to achieve and exceed annual targets that contribute to building enterprise value. Targets are communicated at the start of the performance period as part of a balanced scorecard approach encompassing both financial and non-financial components. Each component is assessed individually to determine the incentive amount payable. The Short Term Incentive is paid 50% in cash immediately following the performance period and 50% deferred as performance rights, vesting in year 2 & 3, subject to the employee remaining employed. This plan has an inbuilt clawback mechanism at the discretion of the board.
Long Term Incentive	Annual grant of Performance Rights to Senior Executive Leaders that encourages the alignment with shareholder interests. Performance rights vest over a 3 & 4 year period in four tranches, 50% are subject to Total Shareholder Return (TSR) and 50% are subject to Earnings Per Share (EPS) hurdles. The proportion of vesting is dependent on the Bingo Groups performance against these hurdles with 100% vesting only occurring if an outperformance target is met. **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. Long Term Incentive awards do not carry the right to a cash dividend prior to the vesting date. Long Term Incentive performance rights do not entitle the holders to any voting rights at a meeting of shareholders.
Transaction Bonus	A transactional bonus was paid during the 2017 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 (EIP). The vesting of those rights was deferred for two years and subject to the executive remaining employed within Bingo until the vesting date in 2019. The fair market value of the performance rights is $1.80, which reflects the share price at the IPO event. The rights were issued on the grant date of 13 April 2017.

Rewards are staged over a 4 year period with components becoming available as per the years illustrated below. In providing short, medium and long term benefits we believe we have an incentive program that rewards for the now and the future and as such recognises contributions for the year closed, helps with retention and encourages a longer term view in our decision making and impact initiatives.



Remuneration Report (audited)

3. Governance

Our Board takes a proactive and robust discussion and decision making approach in the governance and evaluation of the executive remuneration, to balance an alignment with the interests of shareholders and the achievement of operational and organisation behaviour and impact objectives.

Board

Our Board has overall responsibility for Executive Remuneration, including the assessment of performance and remuneration outcomes for the CEO. Ensuring there is a transparent connection between pay and performance is the key objective of the Board in rewarding our leaders.

During FY18 there were no changes to the remuneration of any Senior Executive Leaders at Bingo, The Board are committed to competitive rewards, reflective of the stage of growth of Bingo Industries. We anticipate an independent review of pay will be undertaken during FY19 as part of our continual learning and improvement culture.

The People & Culture Committee

Our Committee works with Management to present information and make recommendations to the Board and assists the business and the Board by developing and reviewing organisation policies and practices including remuneration.

Management

Management is responsible for leading the implementation of initiatives designed to inspire people to be their best. Management provides feedback on the organisation practices, uses data and qualitative assessments to provide insight to culture and organisational performance - including the effectiveness of the rewards program. Management has input into and makes recommendations to the People and Culture Committee in relation to the Executive Reward Program and has done this with the advice and support of subject matter experts to set up our program at Bingo. The CEO is responsible for providing recommendations on fixed pay and Short Term Incentive outcomes for direct reports and puts the recommendations to the People & Culture Committee for discussion prior to recommendations going to our Board for its decision.

Determining Executive Rewards Plans

When Bingo listed we conducted an initial benchmarking exercise to determine a remuneration mix and level to ensure that our leaders were fairly and competitively remunerated for on target performance and incentivised for out performance. We will conduct this evaluation on an annual basis to ensure that our Senior Executive Leaders are fairly compensated for their contribution and responsibilities as Bingo grows. Our plan is that the remuneration review will extend to all our employee categories. Any changes recommended will be discussed at our People & Culture Committee and recommendations for our CEO and direct reports, role changes or new appointments will be made to the Board for their decision making. Overtime, our goal is to shift our incentive plans to recognise and reward for more contemporary strategic inputs that result in outperformance outcomes for Bingo, adding to shareholder value.

Remuneration Report (audited)

4. Executive Remuneration – Performance, Outcomes & Disclosures

2018 Group Performance Highlights

The performance of Bingo Industries throughout 2018 met and exceeded many expectations with our key highlights summarised as:

- LTIFR of 1.5 as at 30 June 2018, 65% improvement from the prior comparative period ("PCP" or "FY17") of 4.3 as at 30 June 2017
- Delivered on the Company's growth strategy by successfully entering the Victorian market via acquisitions, increasing our post collections network to 17 Recycling Recovery Centres across New South Wales and Victoria
- Strong year-on-year growth with net revenue increasing by 44.5% against the PCP to $303.8 million and statutory profit at $38 million being a 91.6% increase on PCP.
- Strong cash flow continued with 94.9% Cash Conversion for the year ended 30 June 2018
- Net bank debt was $136.6 million, representing a 32.3% increase to the PCP of $103.2 million

Group	Full year ended 30 June 2018 $ millions	Full year ended 30 June 2017 $ millions	YoY Variance %
Revenue and other income	303.8	210.1	44.5%
EBITDA (i)	87.2	60.6	43.9%
Statutory NPAT	38.0	19.8	91.6%
EPS	9.8 cents	6.4 cents	53.1%
TSR	47%	N/A	N/A

(i) EBITDA as calculated in Note 6 of the financial report.

4. Executive Remuneration – Performance, Outcomes & Disclosures (continued)

CEO Scorecard and Performance – 2018

Daniel Tartak

Component	Strategic Priorities	Weighting	Description	Outcome	Performance Assessment
Safety, Environment & Quality (SEQ)		20%	A combination of stretch and lead metrics that incentivise for the prevention of early recognition of SEQ risks are used. Our metrics also benchmark incidents and ensure continued improvement of our safety, environmental and quality impacts and systems, including our recovery rates. Metrics include Leader Led Safety Conversations and Hazard Identification, LTIFR and TRIFR.		The group outperformed on all metrics in this area with a visible shift to proactive prevention resulting in outperformance of lag indicators: **LTIFR** of 1.5 **TRIFR** of 28.8 Lead indicators: **Safety & Environment Behaviour** Observations 103% of target **Leader Lead Safety Walks** 105% of target achieved.
Financial		50%	Key financial performance metrics include NPAT, EBITDA, Cash Conversion and Leverage Ratio.		Bingo outperformed against all key financial metrics achieving 91.6% growth in **NPAT**, 43.9% growth in **EBITDA**, 94.9% **Cash Conversion** and exceeding our target **leverage ratio** now at 1.5x.
People & Culture		10%	Qualitative and Quantitative assessments provide insight to culture and organisational performance impacts. Strategic lead and lag metrics incentivise employees to have a positive impact on our culture, demonstrate our corporate values and support the attraction and retention of talented people.		Overall performance was on Target with expectations, with a strong focus on bench strength and succession planning being realised. All Executive roles have an identified short or mid term succession. We also experienced a **reduction** in employee turnover and an increase in gender diversity of our Senior Leaders.
Growth		20%	Key investment metrics include ROCE, Positive NPV and EPS Accretion.		Sustainable growth has been reflected in the strong results of **ROCE** at 20.1%, **Positive NPV** and **EPS** accretion 9.8 cents up from 6.4 cents.

The other KMP have similar objective components in their balanced scorecard.

Remuneration Report (audited)

4. Executive Remuneration – Performance, Outcomes & Disclosures (continued)

Summary of Senior Executive Leader Remuneration FY18

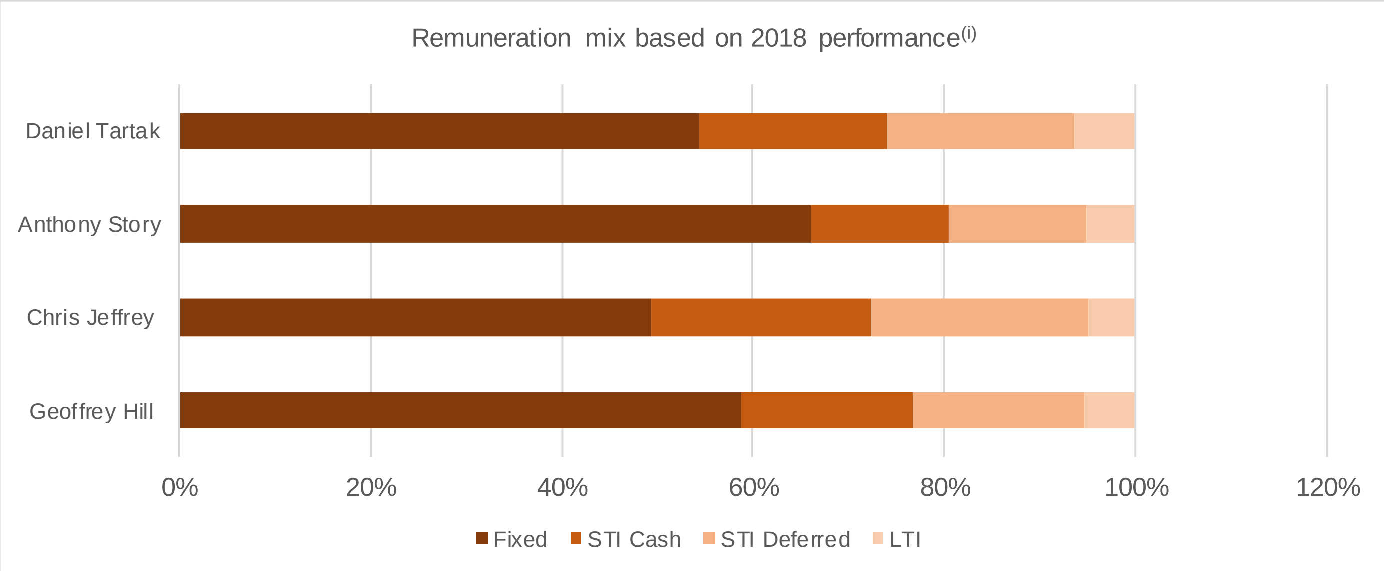
		Short term benefits			Post employment benefits	Share based payments			Other Long term benefits		Fixed	Variable - At Risk	
Name	Year	Cash salary and Fees	STI	Transactional bonus	Superannu-ation	STI	LTI	Transactional bonus	Annual & long service leave	Total		STI(iii)	LTI
Executive Directors													
Daniel Tartak	2018	$ 527,451	$ 198,392	-	$ 20,049	$ 66,131	$ 63,939	-	$ 41,856	$ 917,818	64%	29%	7%
	2017	$ 500,000	-	-	$ 42,500	-	$ 13,664	-	$ 30,987	$ 587,151	98%	0%	2%
Other Executive KMP													
Anthony Story	2018	$ 369,951	$ 85,175	-	$ 20,049	$ 28,391	$ 30,226	$ 62,500	$ 21,138	$ 617,430	67%	28%	5%
	2017	$ 356,164	-	$ 125,000	$ 33,836	-	$ 6,459	$ 13,356	$ 23,028	$ 557,843	74%	25%	1%
Chris Jeffrey (i)	2018	$ 329,951	$ 162,099	-	$ 20,049	$ 54,033	$ 33,907	-	$ 22,075	$ 622,114	60%	35%	5%
		-	-	-	-	-	-	-	-	-			
Geoffrey Hill (ii)	2018	$ 242,692	$ 78,353	-	$ 13,970	$ 26,118	$ 23,196	-	$ 10,697	$ 395,026	68%	26%	6%
		-	-	-	-	-	-	-	-	-			
Total	**2018**	**$ 1,470,045**	**$ 524,019**	**-**	**$ 74,117**	**$ 174,673**	**$ 151,268**	**$ 62,500**	**$ 95,766**	**$ 2,552,388**			
Total	**2017**	**$ 856,164**	**-**	**$ 125,000**	**$ 76,336**	**-**	**$ 20,123**	**$ 13,356**	**$ 54,015**	**$ 1,144,994**			

(i) Commenced July 2017
(ii) Commenced November 2017
(iii) Includes Transactional bonus

4. Executive Remuneration – Performance, Outcomes & Disclosures (continued)

Summary of Senior Executive Leader Remuneration FY18 (continued)

The graph below shows the mix of remuneration awarded to our Senior Executive Leaders for the FY18 performance period, with the total value of the STI deferred rights. A significant proportion of remuneration awarded (approximately 35-50%) fell into the variable, at risk category. This supports our philosophy of incentivising and rewarding for outperformance. We continue to review, benchmark and make recommendations on our remuneration mix, to ensure it remains contemporary, competitive and recognises the achievement of our organisational objectives.



(i) This is based on the performance in 2018 including the total value of the STI deferred rights and excludes the IPO transactional bonus. Fixed remuneration excludes annual leave and long service leave accruals.

Service Agreements

Sevice Agreements	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
Chris Jeffrey	Chief Development Officer	Ongoing	6 months	3 months
Geoffrey Hill	Chief Operating Officer	Ongoing	6 months	6 months

5. Other Disclosures & Shareholdings

Performance Rights

Name	Year	Beginning of Year	Granted as a STI	Granted as a LTI	Granted as a Transactional Bonus (i)	Exercised	Forfeited	Balance end of Year
Non Executive Directors								
Daniel Girgis	2018	55,555	-	-	-	-	-	55,555
	2017	-	-	-	55,555	-	-	55,555
Executive Directors								
Daniel Tartak	2018	183,333	75,149	-	-	-	-	258,482
	2017	-	-	183,333	-	-	-	183,333
Other Executive KMP								
Anthony Story	2018	156,110	32,263	-	-	-	-	188,373
	2017	-	-	86,666	69,444	-	-	156,110
Chris Jeffrey	2018	97,221	61,401		-	-	-	158,622
	2017	-	-	97,221	-	-	-	97,221
Geoffrey Hill	2018	-	29,679	74,038	-	-	-	103,717
	2017	-	-	-	-	-	-	-
Total	**2018**	**492,219**	**198,492**	**74,038**	**-**	**-**	**-**	**764,749**
Total	**2017**	**-**	**-**	**367,220**	**124,999**	**-**	**-**	**492,219**

(i) The Transactional bonus was paid 50% as cash and 50% as performance rights granted under the EIP issued as part of the IPO. The vesting of those rights are deferred for two years and subject to the executive remaining employed with the Bingo Group until the vesting date on 13 April 2019.

Options and Rights

At 30 June 2018, the following rights under the LTI scheme issued and not exercised are:

Grant date	Tranche	End of performance period	Opening Balance	Number of rights granted during the year	Balance at the year end
13 April 2017	1	30 June 2020	173,888	-	173,888
13 April 2017	2	30 June 2021	173,888	-	173,888
1 May 2017	1	30 June 2020	9,722	-	9,722
1 May 2017	2	30 June 2021	9,722	-	9,722
13 November 2017	1	30 June 2020	-	37,019	37,019
13 November 2017	2	30 June 2021	-	37,019	37,019
Total			**367,220**	**74,038**	**441,258**

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.

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
9 May 2017	$1.58	$1.00	$1.53	$0.97
13 November 2017	$1.91	$1.17	$1.86	$1.14

Remuneration Report (audited)

5. Other Disclosures & Shareholdings (continued)

Options and Rights (continued)

Key valuation assumptions made at grant date were:

Grant date	1 May 2017		13 November 2017	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Share price	$1.75	$1.75	$2.08	$2.08
Expected volatility	34%	34%	34%	34%
Expected life	3.1 years	4.1 years	2.6 years	3.6 years
Risk free interest rate	1.89%	2.04%	1.86%	1.99%
Dividend yield	3.26%	3.26%	3.15%	3.15%

The movement and value of the performance rights held as at 30 June by each KMP were:

Name	Year Granted	Number Granted	Share Price at date of Grant $	Vested %	Forfeited	Year in which shares may vest	Fair value at Grant date $
Non Executive Directors							
Daniel Girgis	2018	-	-	-	-	-	
	2017	55,555	1.80	-	-	2019	100,000
Executive Directors							
Daniel Tartak	2018	37,575	2.64	-	-	2019	96,360
	2018	37,574	2.64	-	-	2020	96,360
	2017	91,667	1.80	-	-	2020	118,249
	2017	91,666	1.80	-	-	2021	114,583
Other Executive KMP							
Anthony Story	2018	16,132	2.64	-	-	2019	41,367
	2018	16,131	2.64	-	-	2020	41,367
	2017	69,444	1.80	-	-	2019	125,000
	2017	43,333	1.80	-	-	2020	55,900
	2017	43,333	1.80	-	-	2021	54,166
Chris Jeffrey	2018	30,701	2.64	-	-	2019	78,859
	2018	30,700	2.64	-	-	2020	78,858
	2017	9,722	1.80	-	-	2020	12,542
	2017	9,722	1.80	-	-	2021	12,153
	2017	38,889	1.80	-	-	2020	50,166
	2017	38,888	1.80	-	-	2021	48,611
Geoffrey Hill	2018	14,840	2.64	-	-	2019	38,076
	2018	14,839	2.64	-	-	2020	38,076
	2018	37,019	2.08	-	-	2020	57,009
	2018	37,019	2.08	-	-	2021	56,454

5. Other Disclosures & Shareholdings (continued)

KMP Shareholdings

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 the date of this report is as follows:

	Ordinary Shares	Performance Rights over Ordinary Shares
Michael Coleman	113,860	-
Maria Atkinson AM	32,986	-
Richard England	52,452	-
Daniel Girgis	-	55,555
Daniel Tartak	70,744,298	258,482
Anthony Story	-	188,373
Chris Jeffrey	170,169	158,622
Geoffrey Hill	-	103,717

THIS IS THE END OF THE REMUNERATION REPORT (AUDITED)

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21 August 2018

The Board of Directors
Bingo Industries Limited and Controlled Entities
305 Parramatta Rd
Auburn NSW 2144

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 2018, 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 2018

	Note	2018 $'000	2017 $'000
Revenue	3	300,203	208,777
Other income	3	3,555	1,365
Total revenue and other income		**303,758**	**210,142**
Tipping and transportation costs		(112,679)	(76,816)
Employee benefits expenses	4	(76,164)	(50,113)
Depreciation and amortisation expenses	4	(21,875)	(13,182)
Trucks and machinery costs		(9,691)	(5,423)
Net finance costs	5	(6,713)	(4,574)
Acquisition costs		(2,313)	(103)
Rent and outgoings	4	(2,093)	(6,904)
Capital raising costs		(813)	(13,625)
Other expenses		(16,191)	(10,640)
Total expenses		**(248,532)**	**(181,380)**
Profit before income tax		55,226	28,762
Income tax expense	7	(17,223)	(8,928)
Profit for the year attributable to owners of the Company		**38,003**	**19,834**
Total comprehensive income for the year attributable to the owners of the Company		**38,003**	**19,834**
Earnings per share			
Basic earnings per share	8	$0.10	$0.06
Diluted earnings per share	8	$0.10	$0.06

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

Consolidated Statement of Financial Position

as at 30 June 2018

	Note	2018 $'000	2017 $'000
Assets			
Current assets			
Cash and cash equivalents	9	21,443	13,278
Trade and other receivables	10	47,013	30,433
Inventories	11	5,595	2,984
Assets held for sale	12	4,674	-
Other assets	13	11,957	2,489
Total current assets		**90,682**	**49,184**
Non-current assets			
Property, plant and equipment	14	364,706	189,313
Intangible assets	15	121,870	54,197
Deferred tax asset	7	497	2,450
Total non-current assets		**487,073**	**245,960**
Total assets		**577,755**	**295,144**
Liabilities			
Current liabilities			
Trade and other payables	17	77,672	33,856
Borrowings	18	2,388	1,700
Income tax payable	7	10,591	577
Provisions	20	3,108	2,142
Total current liabilities		**93,759**	**38,275**
Non-current liabilities			
Borrowings	18	174,137	132,668
Provisions	20	695	232
Other payables	17	28,899	-
Total non-current liabilities		**203,731**	**132,900**
Total Liabilities		**297,490**	**171,175**
Net assets		**280,265**	**123,969**
Equity			
Issued capital	21	748,137	624,015
Other contributed equity		1,244	1,244
Reserves	22	(543,616)	(544,906)
Retained earnings		74,500	43,616
Total Equity		**280,265**	**123,969**

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2018

	Note	Issued Capital $'000	Other Contributed Equity $'000	Group Reorganisation Reserve $'000	Employee Equity Benefits Reserve $'000	Retained Earnings $'000	Total $'000
Balance 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	21	628,200	-	-	-	-	628,200
- Costs capitalised to equity (net of tax)	21	(4,185)	-	-	-	-	(4,185)
- Recognition of equity settled share based payments	22	-	-	-	162	-	162
- Recognition of corporate reorganisation	21,22	(11)	-	(545,068)	-	-	(545,079)
Dividends paid or provided during the year		-	-	-	-	-	-
Balance 30 June 2017		**624,015**	**1,244**	**(545,068)**	**162**	**43,616**	**123,969**
Balance 1 July 2017		**624,015**	**1,244**	**(545,068)**	**162**	**43,616**	**123,969**
Profit for the year		-	-	-	-	38,003	38,003
Total comprehensive income for the year		-	-	-	-	38,003	38,003
Transactions with owners, in their capacity as owners and other transfers							
- Issue of shares	21	126,504	-	-	-	-	126,504
- Costs capitalised to equity (net of tax)	21	(2,382)	-	-	-	-	(2,382)
- Recognition of equity settled share based payments	22	-	-	-	1,290	-	1,290
Dividends paid or provided during the year	24	-	-	-	-	(7,119)	(7,119)
Balance 30 June 2018		**748,137**	**1,244**	**(545,068)**	**1,452**	**74,500**	**280,265**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2018

	Note	2018 $'000	2017 $'000
Receipts from customers		325,754	228,953
Payments to suppliers and employees		(248,865)	(167,895)
Income tax paid		(7,289)	(16,397)
Net Cash Flows from Operating Activities	9b	**69,600**	**44,661**
Purchase of property, plant and equipment	14,9c	(122,967)	(83,354)
Purchase of business	16	(91,774)	(39,951)
Purchase of intangible assets	15	(1,809)	-
Proceeds from sale of non-current assets		7,338	1,829
Net Cash Flows used in Investing Activities		**(209,212)**	**(121,476)**
Proceeds from issue of shares		120,067	439,583
Payments in relation to corporate reorganisation	22	-	(356,608)
Capital raising costs		(3,401)	(19,373)
Proceeds from borrowing		119,000	134,942
Repayment of borrowing		(77,500)	(62,623)
Hire purchase payments		-	(46,612)
Dividend paid	24	(4,415)	-
Interest paid (net)		(5,974)	(4,574)
Net Cash Provided by Financing Activities		**147,777**	**84,735**
Net increase/ (decrease) in cash held		**8,165**	**7,920**
Cash at the beginning of the year		13,278	5,358
Cash at the end of the year	9a	**21,443**	**13,278**

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

Notes to the Financial Statements

for the year ended 30 June 2018

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 1 July 2017 to 30 June 2018.

The comparative information presented in the financial statements represents the financial position of the Group as at 30 June 2017, and the financial performance of 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 consolidated financial statements of the Company and its controlled entities ("the Group") were authorised for issue by the Directors on 21 August 2018.

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.

Note 2. Summary of Significant Accounting Policies (continued)

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.

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 23.

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 16. Accounting for these transactions is complex and judgmental, requiring management to determine:

- whether the acquisitions represent a business; 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.

Deficiency in net current assets

The consolidated statement of financial position as at 30 June 2018 reflects a net current deficiency position as at 30 June 2018 of $3,077,000 (June 2017: $10,909,000 net current surplus). The net current deficiency position arises mainly due to the classification of the deferred consideration payable of $29,532,000 on the Patons Lane acquisition, with the second instalment classified as current because it is due and payable in December 2018. The directors are satisfied that the Group will be able to meet its working capital requirements through budgeted cash flows generated from the operations, and if required, draw down of unused facilities.

Note 2. Summary of Significant Accounting Policies (continued)

Comparative information

Prior year balances have been adjusted to reflect reclassifications within the consolidated statement of profit or loss and other comprehensive income.

Comparative expenses in the statement of profit and loss of $5.4 million have been reclassified from Other expenses to Trucks and Machinery expenses. Raw materials of $3.2 million have been reclassified to Other expenses. Net gain on sale of property, plant and equipment of $0.4 million previously included in Other expenses has been reclassified to Other income.

New and amended standards adopted by the Group

There were no new standards adopted by the Group in the 2018 financial year.

New accounting standards and interpretations for application in future periods

A number of new standards, amendments to standards and interpretations are effective for financial years beginning on or after 1 July 2018, and have not been applied in preparing these consolidated financial statements. Of the new standards, only the below are expected to have a material effect on the consolidated financial statements of the Group.

AASB 9 'Financial Instruments'

Will be effective for the Group's 2019 consolidated financial statements replacing the existing *AASB 139 Financial Instruments: Recognition and Measurement*. AASB 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

AASB 9 contains three classification categories for financial assets: measured at Amortised Cost, Fair Value through Other Comprehensive Income and Fair Value through Profit or Loss. The new standard eliminates the existing AASB 139 categories of Held to Maturity, Loans and Receivables and Available for Sale.

Based on procedures completed to date, the Group expects the following impacts on adoption of AASB 9:
- there will be no significant impact on the classification and measurement of its financial assets and financial liabilities; and
- impairment losses on financial assets, including trade receivables, are now required to be measured using an expected credit losses model rather than the incurred credit losses. Under the new model, the Group is required to recognise the expected credit loss from possible future default events rather than the credit losses arising from counterparties that are currently in default. Whilst the Group's analysis is still ongoing, based on the work performed to date, the adoption of AASB 9 is expected to have an immaterial impact.

As permitted under AASB 9, on transition the Group plans to adopt the cumulative effect method, with the effect of initially applying the standard recognised at the date of initial application (i.e. 1 July 2018). As a result, the Group will not apply the requirements of AASB 9 to the comparative period and any impacts on adoption will result in an offsetting (after tax) change in the opening retained earnings as at 1 July 2018.

Whilst the Group's analysis is still ongoing, the adoption of AASB 9 is expected to have an immaterial impact on financial asset and liability recognition. All impacts are based on current estimates which are subject to finalisation prior to final implementation.

Note 2. Summary of Significant Accounting Policies (continued)

New accounting standards and interpretations for application in future periods (continued)

AASB 15 ‘Revenue from Contracts with Customers’

AASB 15 is effective from 1 July 2018, replacing existing revenue recognition guidance including *AASB 118 Revenue*.

The core principle of AASB 15 is that an entity recognises revenue related to the transfer of goods or services when control of the goods or services passes to the customer. It also requires the identification of discrete performance obligations within a transaction and an allocation of a portion of the transaction price to each of these obligations.

In preparation for AASB 15, the Group has reviewed a representative sample of sales contracts to identify potential impacts from the adoption of AASB 15 including possible changes in timing of revenue recognition, measurement of the amount of revenue and note disclosures.

The Group plans to adopt AASB 15 using the cumulative effect method, with the effect of initially applying the standard recognised at the date of initial application (i.e. 1 July 2018). As a result, the Group will not apply the requirements of AASB 15 to the comparative period and any impacts on adoption will result in an offsetting (after tax) change in the opening retained earnings as at 1 July 2018.

Whilst the Group’s analysis is still ongoing, the adoption of AASB 15 is expected to have an immaterial impact on revenue recognition. All impacts are based on current estimates which are subject to finalisation prior to final implementation.

AASB 16 ‘Leases’

Will be effective for the Group’s 2020 consolidated financial statements. The Group has yet to complete a detailed assessment on the potential impact on its consolidated financial statements resulting from the application of AASB 16; however, the following impacts are expected:

- the total assets and liabilities on the balance sheet will increase with a decrease in net total assets, due to the depreciation of right of use assets being on a straight-line basis whilst the lease liability reduces by the principal amount of repayments;
- interest expense will increase due to the unwinding of the effective interest rate implicit in the lease liability. Interest expense will be greater earlier in a lease’s life, due to the higher principal value, causing profit variability over the term of lease. This effect may be partially mitigated due to the number of leases held by the Group at various stages of their terms; and
- operating cash flows will be higher and financing cash flows will be lower, as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Notes to the Financial Statements

for the year ended 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.

	Note	2018 $'000	2017 $'000
Revenue		**300,203**	**208,777**
Other income			
Equipment rental - related company	32	1,150	900
Equipment rental - other		1,900	4
Net gain on sale of property, plant & equipment (i)		418	453
Other income		87	8
Total other income		**3,555**	**1,365**
Total revenue and other income		**303,758**	**210,142**

(i) Net gain on sale of property, plant & equipment in the prior year was reclassified as Other Income (Previously Other Expenses).

Note 4. Expenses

Profit before income tax includes the following specific expenses:

	Note	2018 $'000	2017 $'000
Bad debt expenses		517	284
Post-employment benefits		3,960	2,619
Equity settled share based payments	31	477	33
Other employee benefits		71,727	47,461
Total employee benefits expense		76,164	50,113
Depreciation		17,667	11,223
Customer relationship amortisation		3,663	1,685
Software amortisation		545	274
Depreciation and amortisation		21,875	13,182
Rent and outgoings - Related parties	32	189	5,838
Rent and outgoings - Other		1,904	1,066
Total rent and outgoings		2,093	6,904
Performance contract amortisation		283	407
Minimum lease payments		1,699	6,404

Note 5. Net 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.

On 11 December 2017, the Group completed the acquisition of land at Patons Lane (“Patons Lane”). Patons Lane is a greenfield resource recovery centre (“RRC”) and landfill in Western Sydney with development approvals in place and is classified as a qualifying asset during the financial year ended 30 June 2018 (2017: There were no qualifying assets). All capitalised borrowing costs in the current period are in relation to the Patons Lane qualifying asset. The weighted average capitalisation rate of funds borrowed generally is 4.09% per annum (2017: Not applicable).

	2018 $’000	2017 $’000
Interest expense – Loans	5,995	4,384
Interest expense – Finance lease liabilities	924	-
Interest expense – Deferred purchase payment (i)	1,216	-
Amortised borrowing costs	434	256
Capitalised borrowing included in the cost of qualifying asset	(1,770)	-
	6,799	4,640
Interest received	(86)	(66)
Net finance costs	**6,713**	**4,574**

(i) Implicit interest on the deferred payment purchase structure of the Patons Lane qualifying asset.

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 Board of Directors. 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 includes manufacture and supply of bins, as well as unallocated corporate costs which includes integration costs.

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 2018 and 2017.

2018	Collections $'000	Post Collections $'000	Other $'000	Eliminations $'000	Total $'000
Revenue					
Sales	176,838	170,659	26,051	(73,345)	300,203
Other income	13	1,915	1,627	-	3,555
Total revenue and other income	**176,851**	**172,574**	**27,678**	**(73,345)**	**303,758**
EBITDA (ii)	41,634	48,749	(3,160)[(i)]	-	87,223
Depreciation and amortisation expenses					(21,875)
Acquisition costs					(2,313)
Capital raising costs					(813)
Performance contract amortisation					(283)
Net finance costs					(6,713)
Profit before income tax					55,226
Income tax expense					(17,223)
Profit after tax					**38,003**

(i) EBITDA for Other segment includes $6.5 million incurred to integrate businesses acquired into the Group.
(ii) EBITDA for the Group excludes Acquisition costs, Capital raising costs and Performance contract amortisation.

2017	Collections $'000	Post Collections $'000	Other $'000	Eliminations $'000	Total $'000
Revenue					
Sales	121,788	116,803	17,831	(47,645)	208,777
Other income	-	-	1,365	-	1,365
Total revenue and other income	**121,788**	**116,803**	**19,196**	**(47,645)**	**210,142**
EBITDA	28,108	29,319	3,226	-	60,653
Depreciation and amortisation expenses					(13,182)
Acquisition costs					(103)
Capital raising costs					(13,625)
Performance contract amortisation					(407)
Net finance costs					(4,574)
Profit before income tax					28,762
Income tax expense					(8,928)
Profit after tax					**19,834**

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.

Bingo Industries Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The consolidated current and deferred tax amounts for the tax-consolidated group are allocated to the members of the tax-consolidated group using the 'separate taxpayer within group' approach, with deferred taxes being allocated by reference to the carrying amounts in the financial statements of each member entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the head entity, as under Australian taxation law the head entity has the legal obligation (or right) to these amounts.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each members liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

The Company is the Head Entity of the tax consolidation group. The members of the tax consolidated group are disclosed in Note 30.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 7. Taxation (continued)

	2018 $'000	2017 $'000
a) Income tax recognised in profit or loss		
Current tax		
In respect of current year	17,871	11,734
R&D offset	(410)	-
Acquired tax expense	(197)	-
Adjustment related to prior year	(274)	-
Deferred tax		
In respect of current year	233	(2,806)
Total tax expense	**17,223**	**8,928**
Income Tax expense reconciliation		
Profit before income tax	55,226	28,762
Income tax expense calculated at 30%	16,568	8,628
Increase\(decrease) in income tax expense due to:		
Non-deductible expenses	929	300
Over provision in year	(274)	-
Income Tax expense recognised in the profit or loss	**17,223**	**8,928**
b) Deferred Income Tax		
Deferred income tax in the consolidated statement of financial position relates to the following:		
Deferred tax assets		
IPO costs	2,993	2,903
Borrowing costs	47	87
Employee provisions	1,141	712
Accruals	1,846	1,502
	6,027	5,204
Deferred tax liabilities		
Customer relationships	(4,134)	(2,542)
Performance contract	(128)	(212)
Deferred income	(758)	-
Tax depreciation	(510)	-
Net deferred tax assets/(liabilities)	**497**	**2,450**
c) Income tax liability		
Income tax payable	**10,591**	**577**
d) Income tax recognised directly in equity		
Current tax		
Share issue costs	204	320
	204	320
Deferred tax		
Arising on transactions with owners:		
Share issue expenses deductible over five years	815	1,242
	815	1,242
Total income tax recognised directly in equity	**1,019**	**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. The financial statements have been presented as a continuation of the Pre-IPO Bingo Group, therefore the weighted average number of ordinary shares outstanding during the prior financial year includes the number of shares that were issued to the shareholders of the Pre-IPO Bingo Group (104,700,000) as well as the equivalent number of shares that were issued as part of the IPO to be able to return capital to the shareholders of the Pre-IPO Bingo Group (197,777,778) as though they had been outstanding during the entire 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 31 for details. The dilutive effect of the performance rights on the basic earnings per share reported above is not material.

		2018	2017
Basic earnings per share		$ 0.10	$ 0.06
Diluted earnings per share		$ 0.10	$ 0.06
Profit for the year attributable to owners of the Company	$'000	38,003	19,834
Weighted average number of ordinary shares used in the calculation of:			
- Basic earnings per share	No. of shares	386,060,204	309,233,059
- Diluted earnings per share	No. of shares	387,741,358	310,782,798
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	386,060,204	309,233,059
Adjustments for calculation of diluted earnings per share:			
- Weighted average number of dilutive options and rights	No. of shares	2,018,437	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	388,078,641	310,782,798

Notes to the Financial Statements

for the year ended 30 June 2018

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.

	2018 $'000	2017 $'000
Cash at bank	21,443	13,278
(a) Total Cash and Cash Equivalents	**21,443**	**13,278**

	2018 $'000	2017 $'000
(b) Reconciliation of profit for the year to net cash flows from operating activities		
Profit for the year attributable to owners of the Company	38,003	19,834
Non-operating cash flows in profit		
- Depreciation and amortisation	21,875	13,182
- Profit on sale of property, plant and equipment	(418)	(453)
- Performance consideration amortisation	283	407
- Net finance costs	6,713	4,574
- Capital raising costs expensed to the statement of profit or loss	813	13,625
Changes in assets and liabilities:		
- (increase) in trade and other debtors	(7,920)	(1,705)
- (increase)/decrease in other assets	(4,228)	(620)
- (increase) in inventories	(2,611)	(663)
- increase in trade and other creditors	6,138	3,456
- increase/(decrease) in income taxes	10,013	(4,663)
- increase/(decrease) in provisions	939	(2,313)
Net cash provided by operating activities	**69,600**	**44,661**

(c) Non-cash transactions

During the current year, the Group acquired no property, plant and equipment under finance lease (2017: $40,945,000).

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 3% (2017: 4%) of the total balance of trade receivables.

	2018 $'000	2017 $'000
Trade receivables	47,881	30,442
Allowance for doubtful debts	(1,045)	(309)
	46,836	30,133
Related parties (i)	177	300
Total trade and other receivables	**47,013**	**30,433**

(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.

	2018 $'000	2017 $'000
60 days	2,435	858
90 + days	4,539	879
	6,974	1,737

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

	2018 $'000	2017 $'000
Opening Balance	309	169
Impairment losses recognised on receivables	517	284
Balances recognised through business combinations	309	-
Utilisation of provision	(90)	(144)
Closing balance	**1,045**	**309**

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.

	2018 $'000	2017 $'000
Consumable products	699	477
Raw materials	4,603	2,008
Stock in transit	293	499
Total inventories	**5,595**	**2,984**

Note 12. Assets Held for Sale

Non-currents, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

	2018 $'000	2017 $'000
Land and buildings (i)	4,674	-
	4,674	**-**

(i) The Group intends to dispose of land and buildings located at Helensburgh which are surplus to the Group's requirements that were acquired as part of a larger business combination. The Group anticipates that the fair value of the land and buildings less costs to sell will be greater than the carrying amount above. The disposal is expected to occur in the next 12 months.

Note 13. Other Assets

	2018 $'000	2017 $'000
Accrued revenue	974	436
Performance consideration (i)	425	708
Deposits paid (ii)	6,871	672
Prepayments	423	673
Other (iii)	3,264	-
Total other assets	**11,957**	**2,489**

(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.

(ii) Deposits paid includes plant and equipment of $5.2 million and other items of $1.7 million.

(iii) Other refers to $3.3 million for costs associated with Kembla Grange rectification works and is expected to be fully recoverable.

Notes to the Financial Statements
for the year ended 30 June 2018

Note 14. 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%

During the year, management reassessed the useful economic lives of certain Trucks and machinery and Plant and equipment. The impact of this was immaterial to the depreciation charge during the year.

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.

	2018 $'000	2017 $'000
Land and buildings at cost	122,467	101,843
Land and buildings - work in progress (i)	125,043	-
Land and buildings - total	247,510	101,843
Land and buildings accumulated depreciation	(994)	(100)
Land and buildings net	**246,516**	**101,743**
Lease improvements at cost	4,381	1,381
Leasehold improvements accumulated depreciation	(374)	(125)
Lease improvements net	**4,007**	**1,256**
Plant and equipment at cost	95,934	64,647
Plant and equipment accumulated depreciation	(22,752)	(12,845)
Plant and equipment net	**73,182**	**51,802**
Trucks and machinery at cost	53,294	42,440
Trucks and machinery accumulated depreciation	(12,293)	(7,928)
Trucks and machinery net	**41,001**	**34,512**
Total property plant & equipment	**364,706**	**189,313**

(i) Includes the acquisition of land at Patons Lane ("Patons Lane"), which was completed on 11 December 2017, and other costs of construction. Patons Lane is a greenfield resource recovery centre ("RRC") and landfill in Western Sydney with development approvals in place. The carrying value of Patons Lane as at 30 June 2018 was $97.3 million, which includes capitalised costs to date.

Note 14. Property, Plant & Equipment (continued)

	Land and buildings at cost $'000	Lease improvements at cost $'000	Plant and equipment at cost $'000	Trucks and machinery at cost $'000	Total $'000
Cost					
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 (ii)	1,931	(3,465)	1,534	-	-
Disposals	-	-	(974)	(2,885)	(3,859)
Acquisition of IPO properties (i)	70,947	-	-	-	70,947
Acquisitions (iii)	27,524	-	6,757	1,593	35,874
Balance as at 30 June 2017	**101,843**	**1,381**	**64,647**	**42,440**	**210,311**
Balance at 1 July 2017	101,843	1,381	64,647	42,440	210,311
Additions	8,413	3,051	29,127	9,590	50,181
Disposals	-	(51)	(3,352)	(5,757)	(9,160)
Acquisitions	16,897	-	5,512	7,021	29,430
Work in progress (iv)	125,043	-	-	-	125,043
Reclassification to assets held for sale (v)	(4,686)	-	-	-	(4,686)
Balance as at 30 June 2018	**247,510**	**4,381**	**95,934**	**53,294**	**401,119**
Accumulated depreciation					
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**
Balance at 1 July 2017	100	125	12,845	7,928	20,998
Depreciation expense	906	249	10,900	5,612	17,667
Write back on disposal	-	-	(993)	(1,247)	(2,240)
Reclassification to assets held for sale	(12)	-	-	-	(12)
Balance as at 30 June 2018	**994**	**374**	**22,752**	**12,293**	**36,413**
Net book value at 30 June 2017	**101,743**	**1,256**	**51,802**	**34,512**	**189,313**
Net book value at 30 June 2018	**246,516**	**4,007**	**73,182**	**41,001**	**364,706**

(i) The Group acquired land and buildings for $68.4 million from director related entities in the prior financial year (as disclosed in Note 32). To assist the Directors with their assessment of deemed cost the properties were valued by independent third parties in March 2017. This also includes the recognition of Smithfield premises as a finance lease for $2.5 million (refer to Note 14(a) below).

(ii) 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.

(iii) Includes recognition of Revesby premises as a finance lease for $17.0 million (refer to Note 14(c) below).

(iv) Includes Patons Lane and other works under construction. As at 30 June 2018, $1.2 million had been capitalised in relation to the implicit interest on the deferred payment purchase structure of the Patons Lane qualifying asset.

(v) Helensburgh land and building asset held for sale (refer to Note 12).

The property, plant and equipment have been pledged to secure the borrowings of the Group (see Note 18).

Note 14. Property, Plant & Equipment (continued)

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

During the year the option for the West Gosford Premises was mutually rescinded as the site was no longer considered suitable for the Group.

Deed of Call 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) 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.

(c) 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 July 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.

Note 14. Property, Plant & Equipment (continued)

Deed of Call Option – Clayton South Premises

The Group is party to a deed of option with an unrelated third party (grantor) dated 3 October 2017.

Under this deed, the grantor grants the Group a call option to acquire the Clayton South Premises. The call option may be exercised in the period from 3 October 2017 to 3 August 2020.

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

A call option fee of $300,000 has been paid. Should the call be exercised, this will be treated as a deposit against the purchase price. The total purchase price under the option for the Clayton South Premise is $7,000,000.

Note 15. 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 Group'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.

	2018 $'000	2017 $'000
Goodwill	105,423	44,317
Customer relationships	13,778	8,475
Patents and Trademarks	80	80
Software	2,589	1,325
Total intangibles	**121,870**	**54,197**

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Note 15. Intangible Assets (continued)

Allocation of intangible assets

	Note	Goodwill $'000	Customer relationships $'000	Patents & Trademarks $'000	Software $'000	Total $'000
Balance 1 July 2016		35,292	7,059	69	934	43,354
Acquisition of businesses	16	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 30 June 2017		**44,317**	**8,475**	**80**	**1,325**	**54,197**
Balance 1 July 2017		44,317	8,475	80	1,325	54,197
Acquisition of businesses	16	61,106	8,966	-	-	70,072
Additions		-	-	-	1,809	1,809
Amortisation		-	(3,663)	-	(545)	(4,208)
Balance 30 June 2018		**105,423**	**13,778**	**80**	**2,589**	**121,870**
Consists of:						
Costs		105,423	19,796	80	3,606	128,905
Accumulated amortisation		-	(6,018)	-	(1,017)	(7,035)
Balance 30 June 2018		**105,423**	**13,778**	**80**	**2,589**	**121,870**

	Collections $'000	Post Collections $'000	Other $'000	Corporate $'000	Total $'000
2018					
Goodwill	63,150	39,158	3,115	-	105,423
Customer relationships	7,874	5,641	263	-	13,778
Other intangibles	-	-	-	80	80
Software	-	-	-	2,589	2,589
	71,024	44,799	3,378	2,669	121,870
2017					
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

Note 15. Intangible Assets (continued)

Impairment of assets

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

- Collections - NSW
- Collections - Victoria
- Post Collections - NSW
- Post Collections - Victoria
- 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 (2017: 9.5%).

Cash flow projections during the budget period are based on the respective cash generating units' having consistent 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 (2017: 2.5%). Annual capital expenditure is based on expected cash costs to maintain assets in their current condition. The directors believe that any reasonable change in the key assumptions to revenue growth or discount rate 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 16. 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.

2018				
Date of Acquisition	Business Segment	Cash consideration $'000	Shares issued $'000	Total consideration $'000
August 2017	Collections\Post Collections	1,000	-	1,000
September 2017	Collections\Post Collections	6,000	-	6,000
October 2017	Collections\Post Collections	34,014	3,734	37,748
		41,014	3,734	44,748
January 2018	Collections\Post Collections	50,222	-	50,222
		91,236	**3,734**	**94,970**

The fair values of the assets and liabilities acquired during August 2017, September 2017 and October 2017 are finalised values.

The fair values of the assets and liabilities acquired during January 2018 are provisional values and pending final valuations. On completion of the final valuations the balances for the acquisition may be revised in accordance with applicable Australian Accounting Standards. This is likely to result in the restatement of goodwill recognised with the business combination.

Note 16. Business Combinations (continued)

The aggregated provisional and finalised fair value of the identifiable assets and liabilities of the business combinations at their dates of acquisition were:

Fair values recognised on acquisition

2018	Provisional values Collections $'000	Provisional values Post Collections $'000	Total $'000	Finalised values (i) Collections $'000	Finalised values (i) Post Collections $'000	Total $'000	Consolidated Total $'000
Assets							
Cash	(8)	-	(8)	170	-	170	162
Debtors	4,229	938	5,167	3,489	-	3,489	8,656
Plant and Equipment	2,510	557	3,067	5,402	4,064	9,466	12,533
Land and Buildings	10,883	2,414	13,297	-	3,600	3,600	16,897
Inventory	-	-	-	3	-	3	3
Customer relationships	2,641	586	3,227	3,596	2,143	5,739	8,966
Liabilities							
Trade and other payables	(4,554)	(1,011)	(5,565)	(3,304)	-	(3,304)	(8,869)
Employee entitlements	(918)	(204)	(1,122)	(284)	-	(284)	(1,406)
Deferred tax liability	(948)	(210)	(1,158)	(1,277)	(643)	(1,920)	(3,078)
Total Net identifiable assets	13,835	3,070	16,905	7,795	9,164	16,959	33,864
Goodwill	27,268	6,049	33,317	17,750	10,039	27,789	61,106
Consideration transferred	**41,103**	**9,119**	**50,222**	**25,545**	**19,203**	**44,748**	**94,970**

(i) At 31 December 2017, the fair values of the assets and liabilities acquired during August 2017, September 2017 and October 2017 were provisional values. The fair values were finalised at 30 June 2018 in a restatement of the previously disclosed provisional values. A reconciliation of these changes is included in the table below.

Reconciliation of fair values of assets and liabilities acquired that were finalised during the period

2018	Provisional values at 31 December 2017 Collections $'000	Provisional values at 31 December 2017 Post Collections $'000	Total $'000	Finalised values at 30 June 2018 Collections $'000	Finalised values at 30 June 2018 Post Collections $'000	Total $'000	Change $'000
Assets							
Cash	170	-	170	170	-	170	-
Debtors	3,489	-	3,489	3,489	-	3,489	-
Plant and Equipment	7,478	4,282	11,760	5,402	4,064	9,466	(2,294)
Land and Buildings	-	3,600	3,600	-	3,600	3,600	-
Inventory	2	-	2	3	-	3	1
Customer relationships	-	-	-	3,596	2,143	5,739	5,739
Liabilities							
Trade and other payables	(3,189)	-	(3,189)	(3,304)	-	(3,304)	(115)
Employee entitlements	(284)	-	(284)	(284)	-	(284)	-
Deferred tax liability	(198)	-	(198)	(1,277)	(643)	(1,920)	(1,722)
Total Net identifiable assets	7,468	7,882	15,350	7,795	9,164	16,959	1,609
Goodwill	18,428	10,970	29,398	17,750	10,039	27,789	(1,609)
Consideration transferred	**25,896**	**18,852**	**44,748**	**25,545**	**19,203**	**44,748**	**-**

Note 16. Business Combinations (continued)

Total acquisition costs of $2,313,000 have been expensed during the year ended 30 June 2018.

The Has-a-Bin business was acquired by the Group in September 2017. The land, which the Greenacre facility is located upon, was acquired by an entity controlled by the Pre-IPO Group shareholders and is leased to the Group (refer to Note 32).

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.

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 2018.

2018 Date of Acquisition	Business Segment	Revenue $'000	Profit $'000
August 2017	Collections\Post Collections	1,708	416
September 2017	Collections\Post Collections	4,242	735
October 2017	Collections\Post Collections	20,609	1,368
January 2018	Collections\Post Collections	19,307	3,822
		45,866	**6,341**

Had these business combinations been effected at 1 July 2017, the revenue of the Group would have been $334.1 million, and the profit for the year would have been $43.1 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.

2017 Date of Acquisition	Business Segment	Cash consideration $'000	Deferred consideration[i] $'000	Total consideration $'000
October 2016	Collections	700	700	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 was required to pay the vendor $700,000 in July 2017.

Note 16. Business Combinations (continued)

2017	Collections	Post Collections	Other	Total
	$'000	$'000	$'000	$'000
Assets				
Plant & equipment	678	7,672	-	8,350
Stock	-	-	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 were expensed in 2017.

Note 17. 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.

	2018	2017
	$'000	$'000
Current		
Trade creditors	27,240	19,012
Other creditors and accruals	18,366	12,360
Deferred revenue	2,534	1,784
Deferred settlement (i)(ii)	29,532	700
Total trade and other payables	**77,672**	**33,856**
Non Current		
Deferred settlement (ii)	28,899	-
Other payables	**28,899**	**-**

(i) A Collections acquisition during the financial year ended 30 June 2017 included a deferred settlement of $0.7 million. This was subsequently settled in July 2017.

(ii) On 11 December 2017, the Group completed the purchase of land at Patons Lane. The consideration for Patons Lane is $90 million, structured over three payments of $30 million in December 2017, December 2018 and July 2019. As the remaining second and third payments are deferred beyond normal credit terms, the amount recognised as a current ($29.53 million) and non-current ($28.90 million) liability is measured as the present value of these expected future payments.

Note 18. 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).

The banking facilities as at 30 June 2018 contain financial covenants and other undertakings which are customary for similar facilities made available to corporate borrowers. The following financial covenants apply and are tested semi-annually:

- Total Leverage Ratio, being the ratio of net debt to EBITDA, not to exceed 3.00x; and
- Interest Cover Ratio, being the ratio of EBITDA to net interest expense, must be at least 3.00x.

For the purpose of calculating the financial covenants, a number of customary pro forma adjustments are made to EBITDA, net debt and net interest expense. These adjustments are not reflected in EBITDA, net debt or net interest expense, and therefore these measures will be different to the values used for covenant calculation under the banking facilities. Accordingly, the ratios for covenant calculations will not necessarily reflect the key ratios reported on by the Group.

A breach of the covenants and undertakings (which are not remedied within any applicable grace period) will be an event of default under the banking facilities and will, among other consequences, prevent the Group from paying dividends.

The Group was in compliance with these financial covenants during the period.

	2018 $'000	2017 $'000
Current - secured		
Finance lease liabilities (i)	2,388	1,700
Total Borrowings (Current)	**2,388**	**1,700**
Non Current - secured		
Bank loan (ii)	158,000	116,500
Borrowing costs	(790)	(1,097)
Finance lease liabilities (i)	16,927	17,265
Total Borrowings (Non-Current)	**174,137**	**132,668**

(i) The finance lease liabilities relate to properties under put and call options. Refer to Note 14 for further details.

(ii) During the year, bank loans increased from $116.5 million as at 30 June 2017 to $158.0 million as at 30 June 2018. This was due to drawdowns of $119.0 million that were partially offset by repayments of $77.5 million during the year. There has been no change to the terms of the borrowing facility in the current year. Refer to the Consolidated Statement of Cash Flows for further details.

Bank financing facilities

		2018		2017	
Facility	**Maturity**	**Facility** **$'000**	**Utilised** **$'000**	**Facility** **$'000**	**Utilised** **$'000**
Syndicated Facility - Term Loan	9 July 2020	80,000	80,000	80,000	80,000
Syndicated Facility - Revolving multi-option	9 July 2020	120,000	81,879	120,000	38,388

The Group entered into new secured syndicated three year term and revolving facilities from 5 May 2017 (Syndicated Facility). 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 2018, $3,879,405 (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. Subsequent to year end, the Group entered into new facilities, refer to Note 33 for details.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Borrowings (continued)

Reconciliation of liabilities arising from financing activities

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.

			Non-cash		
	30-Jun-17	Financing cashflows	Deferred borrowing costs	Movement in Finance lease liabilites	30-Jun-18
	$'000	$'000	$'000	$'000	$'000
Total Borrowings (Current)	1,700	-	-	688	2,388
Total Borrowings (Non-Current)	132,668	41,500	307	(338)	174,137
Total Liabilities from financing activities	**134,368**	**41,500**	**307**	**350**	**176,525**

Note 19. 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 18.

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:

	2018	2017
	$'000	$'000
Current borrowings	2,388	1,700
Non current borrowings	174,137	132,668
less cash and cash equivalents	(21,443)	(13,278)
Net debt	155,082	121,090
Total assets (less cash)	556,312	281,866
Net debt to total assets ratio	27.9%	43.0%

Net debt to total assets ratio:

(i) Debt is defined as long-term and short-term borrowings, as described in Note 18.

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

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.

Note 19. Financial Instruments (continued)

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

	30 June 2018		30 June 2017	
	Weighted ave interest rate	$'000	Weighted ave interest rate	$'000
Bank loans (variable)	4.09%	158,000	3.84%	116,500
Finance lease liabilities (fixed rate)	3.84%	19,315	3.84%	18,965

A 1% change in the interest rates would have increased/(decreased) the profit by $1,391,000 (2017: $1,165,000).

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.

	2018	2017
	$'000	$'000
Cash and cash equivalents	21,443	13,278
Trade and other receivables	47,013	30,433
	68,456	43,711

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 $38 million (2017: $81 million) in available head room in its banking facilities, plus $21 million in cash.

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

	Weighted ave interest rate	1 Year	Over 1 to 2 Years	Over 2 to 5 Years	Total	Carrying Amount
2018		$'000	$'000	$'000	$'000	$'000
Trade and other payables		77,672	-	-	77,672	77,672
Bank loans	4.09%	6,462	6,462	158,159	171,083	158,000
Finance lease liabilities	3.84%	2,934	15,225	2,609	20,768	19,315
Financial guarantees	4.09%	3,879	-	-	3,879	-
		90,947	21,687	160,768	273,402	254,987

	Weighted ave interest rate	1 Year	Over 1 to 2 Years	Over 2 to 5 Years	Total	Carrying Amount
2017		$'000	$'000	$'000	$'000	$'000
Trade and other payables		33,856	-	-	33,856	33,856
Bank loans	3.84%	4,474	4,474	121,084	130,032	116,500
Finance lease liabilities	3.84%	1,700	14,842	2,472	19,014	18,965
Financial guarantees	3.84%	1,888	-	-	1,888	-
		41,918	19,316	123,556	184,790	169,321

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 20. 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.

	2018 $'000	2017 $'000
Current		
Annual leave	2,732	1,833
Long service leave	376	309
Total provisions (Current)	**3,108**	**2,142**
Non Current		
Long service leave	695	232
Total provisions (Non-Current)	**695**	**232**

Note 21. 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	2018		2017	
Details	Number of shares	$'000	Number of shares	$'000
Ordinary share capital	-	-	-	-
Fully paid ordinary shares	414,883,467	748,137	349,000,000	624,015

Movements in ordinary share capital		2018		2017	
Date	Details	Number of shares	$'000	Number of shares	$'000
	On issue at 1 July	349,000,000	624,015	11,000	11
	Movements:				
09/05/2017	Corporate reorganisation adjustment	-	-	(11,000)	(11)
09/05/2017	Shares issued under IPO:				
	- Prospectus Applications	-	-	244,212,000	439,583
	- Pre-IPO Bingo Group shareholders	-	-	104,700,000	188,460
	- Employees	-	-	88,000	157
02/10/2017	Issue of shares as consideration for Business Combination (i)	1,714,663	3,734	-	-
06/12/2017	Issue of shares under Entitlement Offer (Institutional tranche) (ii)	55,723,531	105,875	-	-
21/12/2017	Issue of shares under Entitlement Offer (Retail tranche) (ii)	7,468,974	14,191	-	-
02/05/2018	Issue of shares under dividend reinvestment program	976,299	2,704	-	-
	Capital raising transaction costs during the year (net of tax)	-	(2,382)	-	(4,185)
	On issue at 30 June	**414,883,467**	**748,137**	**349,000,000**	**624,015**

(i) No cash consideration was paid as the issued shares form part of the consideration for the acquisition of Konstruct Environmental Pty Limited.

(ii) On 27 November 2017 the Group announced a range of initiatives to increase network capacity expansion across Victoria and NSW, including acquisitions and organic redevelopment opportunities. These initiatives were funded by equity. The equity was raised via a 1 for 5.55 pro-rata accelerated non-renounceable entitlement offer priced at $1.90 per share (Entitlement Offer).

Note 22. Reserves

	2018 $'000	2017 $'000
Group reorganisation reserve	(545,068)	(545,068)
Employee equity benefits reserve	1,452	162
Closing balance	**(543,616)**	**(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 23 for further information regarding the corporate reorganisation.

	2018 $'000	2017 $'000
Group reorganisation reserve		
Opening Balance	(545,068)	-
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)**	**(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 31 for further details on these share based payment plans.

	2018 $'000	2017 $'000
Employee equity benefits reserve		
Opening Balance	162	-
Share based payment expense (i)	1,290	162
	1,452	**162**

(i) Refer to Note 31 for further details.

Note 23. 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 1 July 2017 to 30 June 2018.

The comparative information presented in the financial statements represents the financial position for the Group as at 30 June 2017, and the financial performance of the Pre-IPO Bingo Group for the period 1 July 2016 to the date of acquisition and the Group from acquisition to 30 June 2017.

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 24. Dividends

The Company declared a fully franked dividend on ordinary shares for the financial year ended 30 June 2018 of 3.72 cents per share, being an interim dividend of 1.72 cents per share and final dividend of 2.00 cents per share. The record date of the final dividend is 27 August 2018 with payment to be made on 27 September 2018.

Details of the dividends in respect of the financial year are as follows:

	2018		2017	
	Cents per share	Total $'000	Cents per share	Total $'000
Dividends paid during the period				
Final dividend relating to prior period	-	-	-	-
Interim dividend relating to current period	1.72	7,119	-	-
	1.72	**7,119**	**-**	**-**
Dividends determined in respect of the period				
Interim dividend relating to current period	1.72	7,119	-	-
Final dividend relating to current period declared subsequent to year end	2.00	8,298	-	-
	3.72	**15,417**	**-**	**-**

	2018 $'000	2017 $'000
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan		
Dividends paid in cash	4,415	-
Dividends satisfied by the issue of shares under the dividend reinvestment plan	2,704	-
	7,119	**-**

	2018 $'000	2017 $'000
Franking credit balance		
The available franking credits are:	-	-
30% franking credits	29,490	24,732

Note 25. 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.

	2018 $'000	2017 $'000
Finance lease commitments		
Within one year	2,388	2,436
Less unexpired charges	(545)	(736)
Between one and five years	17,665	18,003
Less finance costs	(193)	(738)
Total	**19,315**	**18,965**
Operating lease commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements:		
Non related payable - Within one year	2,319	1,120
Related party payable - Within one year	762	-
Non related party between 1 year and five years	3,738	4,115
Related party between 1 year and five years	43	-
Non related party after 5 years	2,001	3,223
Related party after 5 years	-	-
Total	**8,863**	**8,458**

Refer to Note 32 for related party details.

	2018 $'000	2017 $'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	5,227	2,975

Note 26. Contingent Liabilities

The Environment Protection Authority (EPA) has commenced proceedings against Mortdale Recycling Pty Ltd and Minto Recycling Pty Ltd in respect of throughput exceedances at each of the Mortdale and Minto facilities. As the matters are before the Court it is not possible to foreshadow the penalty that may possibly be imposed, however Bingo is of the view that any penalty will not be material to earnings.

Note 27. 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

	2018 $'000	2017 $'000
Profit after income tax (i)	7,119	-
Total comprehensive income	7,119	-
Statement of financial position		
Total current assets	214,868	80,429
Total non-current assets	46,604	46,604
Total assets	261,472	127,033
Total current liabilities	10,359	1,332
Total non-current liabilities	-	-
Total liabilities	10,359	1,332
– Issued capital	748,137	624,015
– Retained earnings	-	-
– Reserves	(497,024)	(498,314)
Total equity	**251,113**	**125,701**

(i) Represents dividend income which was paid to the shareholders during the year. Refer to Note 24 for details.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

	2018 $'000	2017 $'000
Guarantee provided under the deed of cross guarantee (ii)	287,131	-

(ii) Bingo Industries Limited has entered into a deed of cross guarantee with 26 of its wholly owned subsidiaries. Refer to Note 28 and Note 30 for further details.

Incorporation

Bingo Industries Limited was incorporated on 3 March 2017 and is the ultimate parent company of the Group, effective 9 May 2017.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2018 (2017: 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. Dividends received from subsidiaries are recognised in the statement of profit or loss when the right to receive the dividend is established.

Note 28. Deed of Cross Guarantee

On 25 June 2018 Bingo Industries Limited entered into a new deed of cross guarantee. By entering into the deed, certain wholly-owned entities (refer to Note 30) were relieved from the requirement to prepare a financial report and Directors' report under Class Order 2016/785 (as amended) issued by the Australian Securities and Investments Commission. The consolidated financial statements of the Group represent the results and the financial position of the entities forming part of the deed of cross guarantee.

Note 29. 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 30. Interests in Subsidiaries

	Principal place of business	2018 %	2017 %
Bingo Industries Limited (iii)	Australia	100	100
Bingo Property Pty Ltd (iii)	Australia	100	100
Bingo Holdings Pty Ltd (formerly Bingo Industries Pty Ltd) (iii)	Australia	100	100
Bingo Waste Services Pty Ltd (iii)	Australia	100	100
Bingo Bins Pty Ltd (iii)	Australia	100	100
Bingo Recycling Pty Ltd (iii)	Australia	100	100
Bingo Commercial Pty Ltd (iii)	Australia	100	100
Bingo Equipment Pty Ltd (iii)	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
Kembla Grange Recycling Pty Ltd (formerly known as 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 (iii)	Australia	100	100
Bingo Investments Pty Ltd (iii)	Australia	100	100
Bingo IP Pty Ltd (iii)	Australia	100	100
Bingo Trademarks Pty Ltd (iii)	Australia	100	100
Toro Group Holdings Pty Ltd (iii)	Australia	100	100
Toro Waste Equipment (Aust) Pty Ltd (iii)	Australia	100	100
TW Auburn Pty Ltd (iii)	Australia	100	100
Bingo Education Pty Ltd (iii)	Australia	100	100
Bingo Pty Ltd (iii)	Australia	100	100
Gosford Recycling Pty Ltd	Australia	100	100
Helensburgh Recycling Pty Ltd	Australia	100	100
Newcastle Recycling (NSW) Pty Ltd	Australia	100	100
Silverwater Recycling Pty Ltd	Australia	100	100
Wollongong Recycling (NSW) Pty Ltd	Australia	100	100
Revesby Recycling Pty Ltd	Australia	100	100
Artarmon Recycling Pty Ltd (i)	Australia	100	-
Bingo (VIC) Pty Ltd (i)(iii)	Australia	100	-
Bingo Patons Lane Pty Ltd (i)(iii)	Australia	100	-
Bingo Patons Lane Unit Trust (i)(iii)	Australia	100	-
Bingo Property (VIC) Pty Ltd (i)(iii)	Australia	100	-
Greenacre Recycling Pty Ltd (i)	Australia	100	-
Ingleburn Recycling Pty Ltd (i)	Australia	100	-
Melbourne Recycling Centres Pty Limited (ii)(iii)	Australia	100	-
SRC Operations Pty Ltd (ii)(iii)	Australia	100	-
National Recycling Group Pty Ltd (ii)(iii)	Australia	100	-
DATS Environmental Services Pty Ltd (ii)(iii)	Australia	100	-
Truck & Plant Management Services Pty Ltd (ii)(iii)	Australia	100	-
Konstruct Environmental Pty Ltd (ii)(iii)	Australia	100	-

(i) Entity incorporated during the current year.
(ii) Entity acquired during the current year.
(iii) Entities covered under the deed of cross guarantee with Bingo Industries Limited (Refer to Note 28 for further details).

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

Note 31. 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 EIP 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)

During the year, 337,283 performance rights were granted under the STI (2017: Nil).

(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 2018, the following rights under the LTI scheme issued and not exercised are:

Grant date	Tranche	End of performance period	Opening Balance	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
1 May 2017	1	30 June 2020	9,722	-	9,722
1 May 2017	2	30 June 2021	9,722	-	9,722
23 October 2017	1	30 June 2020	-	13,265	13,265
23 October 2017	2	30 June 2021	-	13,265	13,265
13 November 2017	1	30 June 2020	-	37,019	37,019
13 November 2017	2	30 June 2021	-	37,019	37,019
15 January 2018	1	30 June 2020	-	6,010	6,010
15 January 2018	2	30 June 2021	-	6,010	6,010
Total			**666,412**	**112,588**	**779,000**

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 31. Share-Based Payments (continued)

(ii) Long Term Incentives (LTI) (continued)

Fair market value	Tranche 1(EPS)	Tranche 1 (TSR)	Tranche 2 (EPS)	Tranche 2 (TSR)
23 October 2017	$1.79	$1.00	$1.73	$0.97
13 November 2017	$1.91	$1.17	$1.86	$1.14
15 January 2018	$2.38	$1.81	$2.32	$1.76

Key valuation assumptions made at grant date were:

Grant date	23 October 2017		13 November 2017		15 January 2018	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Share price	$1.96	$1.96	$2.08	$2.08	$2.54	$2.54
Expected volatility	34%	34%	34%	34%	34%	34%
Expected life	2.7 years	3.7 years	2.6 years	3.6 years	2.5 years	3.5 years
Risk free interest rate	2.04%	2.17%	1.86%	1.99%	2.07%	2.18%
Dividend yield	3.34%	3.34%	3.15%	3.15%	2.59%	2.59%

(iii) Transactional Bonus

A transactional bonus was paid during the 2017 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 EIP. The vesting of those rights was deferred for two years and subject to the executive remaining employed with the Group until the vesting date.

Expense arising from share based payments:

	2018 $'000	2017 $'000
STI (i)	206	-
LTI (i)	271	33
Transactional Bonus (ii)	813	129
	1,290	**162**

(i) STI and LTI have been classified as employee benefits expenses in the consolidated statement of profit or loss.
(ii) The performance rights granted under the transactional bonus will be expensed over the vesting period. The Transactional Bonus has been classified as capital raising costs in the consolidated statement of profit or loss.

Note 32. 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 30.

(c) Key management personnel

Disclosures relating to key management personnel (KMP) are set out in the Remuneration Report on pages 16 to 29. The aggregate compensation made to directors and other members of key management personnel of the Company and the Group is set out below:

	2018 $	2017 $
Short term employee benefits	2,529,064	1,129,569
Post-employment benefits	74,117	76,336
Other long term employee benefits	95,766	54,015
Equity settled share based payments	438,441	44,164
	3,137,388	1,304,084

(d) Wholly owned Group transactions

The wholly owned Group is listed in Note 30. 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

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 25. During the year $Nil was paid (2017: $5,837,748). $189,000 was outstanding at year end (2017: $Nil).

The Has-a-Bin business was acquired by the Group in September 2017. The land, which the Greenacre facility is located upon, was acquired by an entity controlled by the Pre-IPO Group shareholders for $12.5 million and is leased to the Group on normal commercial terms and conditions.

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 $1,280,822 was paid (2017: $807,999). $5,980 was outstanding at year end (2017: $789).

The Group has received financial advisory advice from an entity associated with a director to which fees of $280,500 (2017: $231,000) were paid. $Nil was outstanding at year end (2017: $165,000).

The Group leased certain plant & equipment to entities controlled by the Pre-IPO Bingo Group shareholders. During the year $1,265,000 (Inclusive of GST) (2017: $1,290,000) was charged on normal commercial terms. At year end, total owing was $165,000 (2017: $300,000). This has been repaid subsequent to year end.

The Group sold certain plant & equipment to entities controlled by the Pre-IPO Bingo Group shareholders. During the year $1,595,880 (2017: $Nil) was charged on normal commercial terms and $725,096 profit was made on the transaction. No amount was receivable at year end (2017: $Nil).

The Group provides certain waste management and services to entities controlled by the Pre-IPO Bingo Group shareholders on normal commercial terms and conditions. During the year $1,050,472 was received (2017: $45,640). $11,566 was receivable at year end (2017: $Nil).

As part of the corporate reorganisation process during the prior financial year, 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 14 for further details. No amount was outstanding at year end.

Note 33. Events Subsequent to the End of the Reporting Year

Debt refinancing

On 20 August 2018, the Group refinanced its principal debt facility, increasing the commitment from $200 million to $400 million (plus an accordion facility of up to $100 million). The prior debt facility was established around the time of the IPO, the increase in size of the facility is now aligned with the current scale of operations and finance requirements of the business. The new facility extends the maturity date from July 2020 to August 2021 and provides greater flexibility to manage the business while the administration of the facility has been simplified.

Final dividend

On 21 August 2018, the Directors of the Company declared a final dividend on ordinary shares with respect to the year ended 30 June 2018. The total amount of the dividend is $8.30 million, which represents a fully franked dividend of 2.00 cents per share. The dividend has not been provided for in the financial statements for the year ended 30 June 2018.

Acquisition of Dial-a-Dump Industries and $425 million Entitlement Offer

On 21 August 2018, the Group announced it had entered into a binding agreement to acquire Dial-a-Dump Industries ("DADI") for an enterprise value of $577.5 million. Consideration for the acquisition is expected to comprise $377.5 million in cash and the residual in Bingo shares to be issued to the vendors of DADI at completion of the acquisition.

DADI is a fully integrated waste management business in NSW with operations across the waste value chain from collections to recycling, landfill and recycled product sales. Assets to be acquired through the acquisition include:

- Genesis Transfer Station in Alexandria, NSW.
- Genesis Waste Facility (landfill, materials processing facility and recycled product processing facility) in Eastern Creek, NSW; and
- Collections fleet of approximately 55 vehicles.

Separately, the Group will also acquire two freehold properties located in Melbourne and Sydney (Bingo currently rents the Sydney property).

The acquisition will be partly funded by an underwritten 1 for 2.48 pro-rata accelerated, non-renounceable entitlement offer priced at $2.54 per ordinary share to raise $425 million. The residual of the consideration for the acquisition will be satisfied by the issue of new Bingo shares to the vendors upon completion of the acquisition.

No other matter or circumstance has arisen since 30 June 2018 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.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 34. 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:

	2018 $	2017 $
Audit and review of the financial statements	325,000	255,491
Due diligence services	250,000	420,000
Investigating accountants' report and review of forecast for Initial Public Offering	-	500,000
Tax consulting due diligence and compliance services	152,000	14,175
Total	**727,000**	**1,189,666**

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.

At the date of this declaration, the Company is within the class of companies affected by *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* applies, as detailed in Note 30 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

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

21 August 2018
Sydney

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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 subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the 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 2018 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 Company, 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.

Deloitte.

<table>
<tr><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in the audit</th></tr>
<tr><td>

Accounting for acquisitions

During the financial year, the Group made significant business acquisitions as disclosed in Note 16.

Accounting for these transactions is complex and judgemental, requiring management to determine:

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

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Our procedures included, but were not limited to:

- Understanding the process that management and the directors' applied to recognise the acquisitions;
- Evaluating management's assessment of the nature of the acquisition including the activities and assets acquired;
- Evaluating the skills and expertise of managements' independent valuation experts;
- Evaluating management's methodologies for assessing the fair value of physical property, plant and equipment acquired;
- Obtaining a detailed understanding of the terms and conditions of the purchase contracts to assess the accounting treatment;
- Challenging the classification of leases; and
- 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.
- Assessing the appropriateness of the disclosures in Note 16 to the financial statements.

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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 ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company 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 ability of the Group 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 has 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.

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 16 to 29 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Bingo Industries Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our 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, 21 August 2018

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