Appendix 4E

for the year ended 30 June 2019

Bingo Industries Limited

ABN 72 617 748 231

Reporting period: 30 June 2019

Previous corresponding period: 30 June 2018

Results for announcement to the market

	30 June 2019 A$'000	30 June 2018 A$'000	Up/Down	% Change from year ended 30 June 2018
Revenue from ordinary activities	395,739	300,203	Up	31.8%
Profit from ordinary activities after tax attributable to members	22,265	38,003	Down	(41.4%)
Net Profit for the period attributable to members	22,265	38,003	Down	(41.4%)

Dividend information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2018 final dividend per share	2.00	2.00	30%
2019 interim dividend per share	1.72	1.72	30%
2019 final dividend per share	2.00	2.00	30%

2019 final dividend dates	
Ex-dividend date	28 August 2019
Record date	29 August 2019
Payment date	30 September 2019

The BINGO Board approved the suspension of its Dividend Reinvestment Plan (DRP) during the year ended 30 June 2019.

Net tangible assets per security

	30 June 2019 Cents	30 June 2018 Cents
Net tangible assets per security	50.1	38.2

Financial information

This report is based on the audited Bingo Industries Limited and Controlled Entities Consolidated Financial Report for the year ended 30 June 2019.

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 2019.

Bingo Industries Limited
ABN 72 617 748 231

Consolidated Financial Report

FOR THE YEAR ENDED 30 JUNE 2019

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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 2019 ("FY19").

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	
Daniel Girgis	Non-Executive Director	
Ian Malouf	Non-Executive Director	(Appointed 29 March 2019)
Barry Buffier AM	Independent Non-Executive Director	(Appointed 2 July 2018)
Daniel Tartak	Managing Director and Chief Executive Officer	

During the reporting period and up to 21 January 2019, the office of Company Secretary was jointly held by Rozanna Lee (BCom, LLB, GradDipACG, AGIA, AGIS) and Ron Chio (LPAB Diploma in Law, Graduate Diploma of Legal Practice (GDLP)). Following the resignation of Ron Chio on 21 January 2019, Stephen Schmidhofer (BEc, LLB, Grad Dip Legal Practice, MBA) was appointed Joint Company Secretary on 25 June 2019.

Principal Activities

The principal activities of the Group during the financial year were to provide recycling and waste management solutions across building and demolition (B&D) and commercial and industrial (C&I) waste streams with capabilities across waste collections, processing, separation and recycling components of the waste value chain.

The acquisition of Dial-A-Dump Industries ("Dial-A-Dump" or "DADI"), completed in March 2019, significantly expanded the Group's post-collections operations footprint including landfill disposal in NSW.

No other 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 2019 totalling 3.72 cents per share ($23.2 million in aggregate), being an interim dividend of 1.72 cents per share ($10.0 million in aggregate) and final dividend of 2.00 cents per share ($13.2 million in aggregate) declared subsequent to year end. The record date of the final dividend is 29 August 2019 with payment to be made on 30 September 2019. The financial effect of the final dividend has not been brought to account in the financial report for the year ended 30 June 2019 and will be recognised in a subsequent financial report.

Recognised (Paid amounts)	2019 $'000	2018 $'000
Fully paid ordinary shares		
Final dividend for 2018: 2.00 cents per share (2017: Nil)	8,298	-
Interim dividend for 2019: 1.72 cents per share (2018: 1.72 cents per share)	10,017	7,119
Total dividends paid	**18,315**	**7,119**

The BINGO Board approved the suspension of its Dividend Reinvestment Plan (DRP) during the year ended 30 June 2019.

Operating and Financial Review

Review of Operations

Principal activities

BINGO is a leading recycling and waste management company operating across New South Wales (NSW) and Victoria (VIC). BINGO operates across building & demolition (B&D) and commercial & industrial (C&I) waste streams with capabilities across waste collection, processing and recovery, disposal and bin manufacturing.

Business Overview

BINGO's operations are organised across three key segments:

- Collections (BINGO Bins and BINGO Commercial)
- Post-collections (BINGO Recycling and Landfill)
- Other (includes TORO and all other segments)

Including the sites acquired as part of the DADI acquisition, BINGO's operations include a network of 15 sites in NSW including transfer stations and landfill assets and 5 recycling and transfer stations in VIC. BINGO has a workforce of approximately 990 people and truck fleet of approximately 350 trucks across NSW and VIC.

Executive snapshot of performance

- FY19 was a transitional year for BINGO; the development program, which is now largely complete, together with the acquisition of DADI, has transformed our operating footprint and provides a platform for future growth from FY20.

- Incidents and injury indicators such as Loss Time Injury Frequency Rate[1] (LTIFR) are better than the industry averages with our LTIFR as at 30 June 2019 being 0.8, down from 1.5 achieved in the prior comparative period ("PCP" or "FY18"). However it is with great sadness that we reported two fatalities in two separate workplace incidents during the year. Steven, a Victorian driver, died in January and Kurt, an employee at our Eastern Creek facility, passed away in May. As an organisation we strive for a zero-harm workplace and we know we have further work to do to achieve this goal.

- Growth in total revenue[2] of 32.4% against the PCP to $402.2 million and underlying EBITDA[3] up 13.2% to $106.1 million.

- Statutory[4] net profit after tax (NPAT) of $22.3 million representing a 41.4% decrease against the PCP of $38.0 million.

- Strong growth in operating free cash flow of 31.0% to $116.5 million with 109.8% cash conversion for the twelve months ended 30 June 2019.

- Final dividend of 2.0 cents per share, making a total dividend of 3.72 cents for the year.

- Work in hand and pipeline remains healthy, with strong second half growth in the C&I pipeline of opportunities and sustained momentum in transport and social infrastructure project wins across NSW and VIC.

- In March 2019, we completed the transformational acquisition of DADI. Integration of DADI is well progressed and on track to deliver cost synergies of $15 million over two years from FY20.

- Announced development program largely complete with BINGO's first recycling centre in VIC, West Melbourne, opened in April 2019. The West Melbourne facility will enhance internalisation and recovery rates in VIC and is expected to improve EBITDA margins.

- Subsequent to the period end; Patons Lane Recycling facility in NSW officially opened in July 2019 and BINGO price rise in NSW implemented from 1 July 2019.

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

[2] Revenue and other income

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

[4] The use of the term 'Statutory' refers to financial information as detailed in these financial statements and 'underlying' refers to non-statutory financial information. The underlying 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 6. 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.

Operating and Financial Review (continued)

Review of Operations (continued)

Executive snapshot of performance (continued)

- Network capacity target of 3.4 million tonnes per annum exceeded in FY19 post completion of announced developments and acquisition of DADI. BINGO's network reconfiguration plan in NSW is expected to enhance operational efficiencies for transport and tipping and expected to return $80 million from the divestment of the Banksmeadow facility and capital recycling of non-core assets in FY20.
- The strategic focus over the next 12 months is on optimising the core and delivering organic growth and margin expansion.
  - In NSW the focus is on completing the integration of DADI; optimising the network of existing facilities, completing the network reconfiguration and constructing Materials Processing Centre (MPC) 2 at Eastern Creek, which will significantly increase recycling capacity within the network.
  - In VIC, the post-collections strategy is centred on increasing the recovery rates and internalisation of waste volumes to enhance margin growth.
- BINGO remains well positioned for growth in FY20 with a full year contribution from DADI, Patons Lane and West Melbourne.

Review of Financials

Summary of Financial Performance

Group	Full year ended 30 June 2019 $ millions	Full year ended 30 June 2018 $ millions	YoY Variance %
Revenue and other income	402.2	303.8	32.4%
Underlying EBITDA	106.1	93.7	13.2%
Statutory EBITDA	72.4	84.9	(14.7%)
Underlying EBITDA margin (i)	26.4%	30.8%	(4.4%)
Statutory EBITDA margin	18.0%	27.9%	(9.9%)
Underlying EBIT	70.3	71.8	(2.1%)
Statutory EBIT	35.6	61.9	(42.5%)
Underlying NPAT	53.2	45.6	16.6%
Statutory NPAT	22.3	38.0	(41.4%)
Underlying NPATA (ii)	58.9	48.2	22.2%

(i) Underlying EBITDA Margin = Underlying EBITDA / Revenue and other income.

(ii) Underlying NPATA = Underlying NPAT + Amortisation expense of certain intangibles.

Operating and Financial Review (continued)

Review of Financials (continued)

Summary of Financial Performance (continued)

A reconciliation of the FY19 statutory to underlying actual results is summarised as follows:

	Note	Revenue and other income	EBITDA	EBIT	NPAT	NPATA
		$ millions	$ millions	$ millions	$ millions	$ millions
FY19 statutory results		**402.2**	**72.4**	**35.6**	**22.3**	**22.3**
Acquisition costs	1		7.5	7.5	7.5	7.5
Acquisition costs – Stamp Duty	1		14.8	14.8	14.8	14.8
Capital raising costs	2			0.7	0.7	0.7
Integration costs	3		11.4	11.4	11.4	11.4
Prepayment amortisation	4			0.3	0.3	0.3
Underlying tax adjustment	5				(3.8)	(6.2)
Amortisation of certain intangibles	6					8.1
FY19 Underlying results		**402.2**	**106.1**	**70.3**	**53.2**	**58.9**

For completeness, a reconciliation of the FY18 statutory to underlying actual results is also summarised below:

	Note	Revenue and other income	EBITDA	EBIT	NPAT	NPATA
		$ millions	$ millions	$ millions	$ millions	$ millions
FY18 statutory results		**303.8**	**84.9**	**61.9**	**38.0**	**38.0**
Acquisition costs	1		2.3	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
Underlying tax adjustment	5				(2.3)	(3.4)
Amortisation of certain intangibles	6					3.7
FY18 Underlying results		**303.8**	**93.7**	**71.8**	**45.6**	**48.2**

Operating and Financial Review (continued)

Review of Financials (continued)

Summary of Financial Performance (continued)

Notes accompanying table on previous page:

1. Acquisition costs of $22.3 million (2018: $2.3 million) includes $14.8 million in stamp duty relating to DADI acquisition, $6.4 million of fees paid to advisers related to the acquisition of businesses that will not be recurring as well as an additional $1.1 million of other acquisition costs related to travel, employee and other costs.
2. Capital raising costs incurred of $0.7 million (2018: $0.8 million) relates to the amortisation of performance rights granted as a transactional bonus during the year ended 30 June 2017 following the completion of the IPO. The amount has now been fully amortised during the financial year ended 30 June 2019.
3. Integration costs represent the costs incurred by BINGO to integrate businesses acquired, or to be acquired, into the Group. Integration costs include bringing the operations in line with BINGO safety standards, compliance costs, marketing and rebranding, travel and employee costs.
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. Represents the income tax impact of the underlying adjustments (excluding acquisition costs), calculated at 30%.
6. Includes the amortisation expense of certain intangibles being: (a) Customer contracts; (b) Brands; and (c) Landfill void.

Observations for the full-year include:

- Total revenue and other income of $402.2 million, an increase of $98.4 million or 32.4% from $303.8 million in the PCP.
- Underlying EBITDA of $106.1 million, being an increase of $12.4 million or 13.2% on the PCP.
- Statutory NPAT of $22.3 million, a decrease of 41.4% on the PCP.
- Underlying NPAT of $53.2 million, an increase of 16.6% on the PCP.
- Underlying Group EBITDA margin of 26.4%, down from 30.8% in the PCP.

Group underlying EBITDA margin decreased by 4.4% to 26.4%. This contraction in margin was largely due to:

- A faster than anticipated softening of the residential market impacting price and volume from the latter part of 1H19, together with increased market competition in Collections in 1H19 that led to reduced prices and a reduction in margin which affected the second half result;
- BINGO's network expansion program resulted in a number of sites being taken offline for redevelopment in 1H19. This impacted both the collections fleet efficiency and the network recycling rates;
- Ramp up in the VIC business initially at lower margins;
- This was partially offset by improved margins in 2H19, largely driven by the additional earnings from the DADI acquisition and the greater internalisation of volumes in NSW from the acquisition.

Total statutory expenses grew by 49.4% from $248.6 million in FY18 to $371.4 million in FY19. As a proportion of total revenue and other income, total statutory costs represented 92.3%, compared to 81.8% in the PCP. The absolute movement in costs was primarily driven by:

- Carrying costs as a result of delaying the BINGO annual price rise for customers.
- 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.
- Full 12 months impact of the VIC market.
- 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 2019 $ millions	Full year ended 30 June 2018 $ millions	YoY Variance %
Total bank borrowings	1	315.0	158.0	99.4%
Net bank debt	2	275.8	136.6	102.0%
Underlying ROCE (%)	3	9.2%	21.1%	(11.9%)
Net working capital (NWC)	4	(1.1)	(3.1)	64.3%
Underlying operating free cash flow	5	116.5	88.9	31.0%
Cash conversion (%)	6	109.8%	94.9%	14.9%

Notes:

1 Total Bank Borrowings = Bank loans only (Excludes Finance lease liabilities and Borrowing costs).
2 Net bank debt = Total Bank Borrowings – Cash
3 Underlying ROCE (%) = (Underlying EBIT) / (Average net debt[5] + Average equity)
4 NWC = Current Assets - Current Liabilities
5 Underlying operating free cash flow = operating cash flow + income tax paid + acquisition and integration costs paid + Rectification works[6]
6 Cash Conversion = Underlying operating free cash flow / Underlying EBITDA

Observations for the full-year include:

- During the period, the Group had total bank borrowings of $315.0 million and net bank debt of $275.8 million, up 102.0%. against PCP which was predominately due to the payment of the cash component for the acquisition of DADI in March 2019.
- Underlying operating free cash flow up 31.0% to $116.5 million. Strong focus by management on cash collection, achieving operating cash conversion of 109.8%, above the Group target of >90%.
- Underlying Return on Capital Employed (ROCE) of 9.2%. Underlying ROCE was impacted by the acquisition of DADI and capital outlay associated with the network redevelopment program with income not yet realised (Mortdale, Patons Lane and West Melbourne). We expect Underlying ROCE to improve towards the Group ROCE target of 15% when the cash flow benefit of recent acquisitions and benefits of the redevelopment activities are realised.
- Net working capital ("NWC") deficit of $1.1 million, a $2.0 million reduction in the deficit from PCP.

The Group has a principal debt facility of $400 million (plus an accordion facility of up to $100 million). This facility matures in August 2021. The facility was drawn down to $315.0 million as at 30 June 2019.

Underlying operating free cash flow for FY19 was $116.5 million, up from $88.9 million in FY18, with cash conversion of 109.8% in FY19. The Company's Net Working Capital deficit was $1.1 million, a reduction in the deficit from $3.1 million in the PCP.

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. Capital expenditure during FY19 was $232 million which included:

- $48 million for growth and maintenance capex
- $34 million for the purchase of Greenacre, Braeside and Tomago facilities and other property additions
- $20 million for settlement of Revesby and Smithfield finance lease options
- $30 million related to the acquisition of Patons Lane land
- $100 million for development projects

[5] Total borrowings less Cash
[6] Rectification works refers only to $0.5 million for costs associated with Kembla Grange rectification works in FY19 and is expected to be fully recoverable (FY18: $3.3 million).

Operating and Financial Review (continued)

Operating Sectors

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

I. Collections

Collections	Full year ended 30 June 2019 $ millions	Full year ended 30 June 2018 $ millions	YoY Variance %
Revenue and other income	213.5	176.9	20.7%
Statutory and Underlying EBITDA	38.4	41.6	(7.8%)
EBITDA margin (%)	18.0%	23.5%	(5.5%)

BINGO collects and transports waste from customers to post-collections facilities across two categories – BINGO Bins (B&D) and BINGO Commercial (C&I).

Collections revenue and other income grew 20.7% to $213.5 million from $176.9 million in the PCP, primarily driven by BINGO's increased collections fleet across both B&D and C&I waste streams as well as a full period contribution from the VIC operations and partial year contribution from DADI. Strong focus on growing the C&I business with 19% year-on-year revenue growth achieved in FY19. The EBITDA margin is 5.5 percentage points down on PCP due to a softening residential construction market and competitor pricing pressures experienced from late 2018. Despite pricing holding flat from January 2019, the reduced EBITDA margin reflects the full six-month impact at lower prices. BINGO price rise was implemented from 1 July 2019, which is expected to deliver margin expansion in Collections in FY20.

Outlook and strategic focus

The Group will continue to leverage its existing operational footprint to target the pipeline of critical infrastructure projects, commercial opportunities and residential and non-residential construction. BINGO has a solid base of infrastructure work in hand, recent contract wins and work to tender which provides revenue visibility into FY20. BINGO B&D collections revenue represents 76% of total Collections revenue. BINGO's 5-year strategy is to diversify collections revenue to 40% C&I revenue over four years, utilising the sustained level of construction expenditure over the next 3-4 years to achieve this mix.

Growth from multi dwelling residential projects in Australia is expected to soften further into FY20. The Australian Construction Industry Forum (ACIF) forecast a contraction of 1.5% this year (2018-19) to $103 billion and steeper falls in residential building activity in 2019-20 and 2020-21, which is expected to contract to $91 billion by 2020-21. Headwinds in the construction market, specifically residential construction are expected to continue over the next 12-18 months.

There are significant infrastructure projects underway and under planning in most states across Australia. The NSW Government has an $87 billion capital program over the years 2021-22 which includes many large transport and water infrastructure projects. VIC's "Big Build" involves a $57 billion commitment to road and rail projects.

Population growth in NSW and VIC is expected to continue to increase underpinned by migration and economic prosperity, providing favourable drivers for waste generation over the long-term. Overall, net favourable macroeconomic tailwinds for Collections are expected to continue to be underpinned by economic and population growth and sustained infrastructure activity.

Operating and Financial Review (continued)

Operating Sectors (continued)

II. Post-Collections

Post collections	Full year ended 30 June 2019 $ millions	Full year ended 30 June 2018 $ millions	YoY Variance %
Revenue and other income	243.8	172.6	41.3%
Statutory and Underlying EBITDA	67.2	48.7	37.9%
EBITDA margin (%)	27.6%	28.2%	(0.6%)

BINGO's Post-Collections business consists of a network of transfer stations, recycling centres and landfill facilities located across NSW and VIC. BINGO diverts waste from landfill by sorting and processing mixed waste received from the Building & Demolition (B&D) and Commercial & Industrial (C&I) market to be reused, recycled or sent to other facilities for further processing. BINGO's post-collections network currently consists of 15 sites located in NSW and 5 sites in VIC.

Post-Collections revenue and other income increased to $243.8 million which represents a 41.3% improvement on the PCP. Higher barriers to entry in Post-Collections has insulated EBITDA margin, relative to the Collections segment. Post-Collections EBITDA margin decreased by 0.6 percentage points to 27.6% from 28.2% in FY18 which reflects increased costs absorbed for FY19 as a result of no annual price rise and tipping and transport costs associated with sites being offline.

Outlook and strategic focus

BINGO has invested heavily in its strategic network of post-collections facilities across NSW and VIC. This investment has positioned the Company for future growth, by having the ability to internalise and process greater waste volumes (both from external customers and BINGO's collections operations) and achieve resource recovery rates in excess of 75%.

During the year, BINGO announced its NSW network reconfiguration plans as part of the DADI integration. The reconfiguration involves rationalising some sites and converting other BINGO facilities into transfer stations to attract and aggregate waste volume for processing at BINGO's integrated recycling assets at Auburn, Eastern Creek and Patons Lane. BINGO's network reconfiguration is expected to enhance operational efficiencies for transport and tipping operations and reduce the operating costs of the network. Patons Lane commenced its recycling operations in July 2019, which added a further 450,000 tonnes of capacity to the network in NSW across recycling and landfill.

The strategic focus over the next 12 months in NSW is in optimising the network of existing facilities including the successful opening of Patons Lane; completing the announced network reconfiguration plan and constructing Materials Processing Centre (MPC) 2 at Eastern Creek together with the completion of Mortdale resource recovery centre, which will increase recycling capacity within the network. In VIC the post-collections strategy is centred on increasing recovery rates and internalisation of waste volumes to enhance margin growth.

An increased focus from federal and state governments and the private sector on corporate social responsibility and achieving greater diversion rates from landfill is expected to benefit BINGO's business model to bid and win more work across both B&D and C&I waste streams.

Operating and Financial Review (continued)

Operating Sectors (continued)

III. Other

Other	Full year ended 30 June 2019 $ millions	Full year ended 30 June 2018 $ millions	YoY Variance %
Revenue and other income	31.1	27.8	12.2%
Statutory EBITDA	(33.2)	(5.5)	(506.0%)
Underlying EBITDA [(1)]	0.5	3.3	(85.1%)
Statutory EBITDA margin (%)	(106.5%)	(19.7%)	(86.8%)
Underlying EBITDA margin (%)	1.6%	11.9%	(10.3%)

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. TORO has three manufacturing facilities located in NSW, VIC and QLD.

Other revenue and other income increased to $31.1 million, a 12.2% 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 VIC; external revenue and other income represented 56% of FY19 revenue. The underlying TORO business continues to perform well with revenue up 11% year-on-year. Underlying EBITDA decreased from $3.3 million to $0.5 million and underlying EBITDA margin is 1.6%, a reduction of 10.3 percentage points from the PCP, primarily driven by an increase in corporate costs.

Outlook and strategic focus

TORO sales in FY20 are expected to benefit from the rebranding and refurbishment of bins associated with the DADI integration; although the residential headwinds might soften some demand. TORO continues to target expansion into mechanical waste equipment as an area for future growth and diversification supporting BINGO's five-year strategy to achieve 50:50 revenue from B&D and C&I collections. Increasing waste volumes in the market, underpinned by favourable economic drivers, provides TORO with a significant opportunity for future organic growth servicing both BINGO and external customers.

Strategy and Outlook

Group strategy

The Company vision is: *Pushing for a waste-free Australia.* Our approach to sustainability is borne out of our vision, it informs our strategy and is central to everything we do.

Our group strategy remains unchanged, our principal strategic intent is diversion of waste from landfill through: a recycling-led solution; investment in technology; continuous innovation to enhance sustainability outcomes; and maximise returns. For BINGO, disruption and innovation are fundamental to our growth story.

BINGO's Group Strategic Framework is based on three key enablers of BINGO's growth:

- **Protect and optimise the core** – ensure we preserve and grow our key competitive edge – customer and technology centric business model with a recycling-led solution.
- **Enhanced vertical integration** – Targeting greater internalisation of our volumes and increasing diversion from landfill for both putrescible and non-putrescible waste.
- **Geographic expansion** – Expansion of our operating footprint along the East Coast of Australia, concentrating on markets with favourable growth drivers.

[1] Other underlying EBITDA includes an adjustment of $11.4 million (FY18 $6.5 million) for integration costs and $22.3 million for acquisition costs (FY18 $2.3 million) 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 and employee costs.

Operating and Financial Review (continued)

Strategy and Outlook (continued)

These enablers are underpinned by five key strategic priorities. During the year we further refined our five priorities to be:

- **Zero harm** – zero harm to our people and the environment
- **Customer service** – continuously improving our customer value proposition
- **Growth & innovation** – through operational best practice and industry leadership
- **Sustainability** – earning our social license to operate
- **Develop & retain talent** – invest in our people, growing future leaders

Over the next 12 months our strategic focus is on "optimising the core" through organic growth, business optimisation and consolidation in our existing markets. This will allow us to complete the integration of DADI, deliver efficiencies across our operating footprint and ensure we have the right foundations in place to continue to execute on our strategy.

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. For the third consecutive year we voluntarily audited our recovery rates. This year we expanded the audit to include our newly acquired Eastern Creek facility. For FY19 we achieved an average recovery rate of 77%, in line with last year's recovery rate of 77%.

We transparently report on our sustainability objectives and performance through various key performance indicators (KPIs) and our annual Sustainability Report.

Industry dynamics and market outlook

Australia's waste industry has seen significant change in recent years. The challenges facing our industry provide opportunities to help shape and improve the landscape in Australia for future generations. By making changes today we are working to mitigate future risks, uncover opportunities and be stewards for sustainable growth.

The release of Australia's updated National Waste Policy, China's import restrictions on recyclables and Queensland's reintroduction of a waste levy, has resulted in a shift in the regulatory landscape. Together with greater media scrutiny highlighting Australia's waste crisis, these factors have elevated waste as an important strategic and material risk for organisations and governments.

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.

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[1]. Despite the slow-down in multi residential activity, there are significant infrastructure projects underway and under planning in most states across Australia. The NSW Government has an $87 billion capital program over the years 2021-22 which includes many large transport and water infrastructure projects. VIC's "Big Build" involves a $57 billion commitment to road and rail projects. This infrastructure pipeline across NSW and VIC is expected to underpin stable growth in B&D waste volumes over the short to medium-term, with BINGO securing several contracts for waste management services to these projects. Under the Greater Sydney Region Plan, by 2056, Greater Sydney will be a metropolis of 'three cities' – a Sydney CBD City, Parramatta City and Western Sydney Aerotropolis[1]. Newcastle, Wollongong and Gosford will be important economic hubs with key transport and freight gateways, and strong service-based industries. The development of Western Sydney Aerotropolis is a catalyst for future construction activity in Sydney and BINGO remains well positioned to benefit from this development. Over the short to medium-term, growth from multi-dwelling residential projects in NSW and VIC is expected to continue to soften.

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[1] Australian National Waste Report, 2016.

[1] Greater Sydney Commission, A Metropolis of three cities – connecting people, October 2017.

Operating and Financial Review (continued)

Strategy and Outlook (continued)

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 VIC economies. VIC and NSW economies benefit from solid population growth and strong job markets, driving retail spending and business investment. BINGO Commercial continues to pursue growth and capture market share in the C&I segment with significant success in tendering for large customer contracts over the last 12 months. BINGO Commercial has achieved a win rate of approximately 35% in Commercial tenders. BINGO is seeking to continue to gain market share through leveraging its integrated post collections network and 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

Debt refinance

On 20 August 2018, the Group refinanced its principal debt facility, increasing the facility 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 dates from July 2020 to August 2021 and provides greater flexibility to manage the business while the administration of the facility has been simplified.

Completion of Dial-A-Dump Industries (DADI) Acquisition and $425 million Entitlement Offer

On 21 August 2018, the Group announced it had entered into a binding agreement to acquire DADI for an enterprise value of $577.5 million. Consideration for the acquisition comprised $377.5 million in cash and the residual in BINGO shares 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 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.

Following Australian Competition and Consumer Commission ("ACCC") approval of the transaction, the acquisition was completed in March 2019. As part of the approval, the ACCC accepted an undertaking from BINGO to divest its recycling facility in Banksmeadow NSW.

The acquisition was partly funded by an underwritten 1 for 2.48 pro-rata accelerated, non-renounceable entitlement offer priced at $2.54 per ordinary share, which raised approximately $425 million during the period. The residual of the consideration for the acquisition was satisfied by the issue of new BINGO shares to the vendors at $2.54 per ordinary share upon completion of the acquisition.

Please refer to the ASX announcement and investor presentation dated 21 August 2018, which provides shareholders with more detail in respect to the equity raising and acquisition. Reference may also be made to the ASX announcements dated 28 February 2019 for further information on the Banksmeadow facility divestiture undertaking accepted by the ACCC.

On-market share buy-back

On 28 February 2019 BINGO announced the implementation of an on-market buy-back of up to $75 million of its ordinary shares over 12 months. The buy-back will be conducted within the "10/12 limit" in accordance with the Corporations Act 2001 (Cth). The timing and number of shares purchased under the on-market buy-back will be contingent on BINGO's share price and prevailing market conditions. BINGO reserves the right to vary, suspend or terminate the on-market buy-back at any time.

Matters Subsequent to the End of the Financial Year

Final dividend

On 22 August 2019, the Directors of the Company declared a final dividend on ordinary shares with respect to the year ended 30 June 2019. The total amount of the dividend is $13.2 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 2019.

Patons Lane operational

Patons Lane was acquired in December 2017 as a greenfield resource recovery and landfill asset located in Western Sydney. Construction of the Patons Lane asset has taken place over the last 18 months, which included excavation and construction of the landfill cell, dewatering of the quarry void and construction of the recycling facility. Patons Lane commenced its recycling operations in July 2019. In light of the DADI acquisition, BINGO optimised the plant design for Patons Lane and expects to install the full advanced recycling equipment at Patons Lane prior to the end of 1H FY20.

Exercise of Land Option

In July 2019, the Group exercised an option over land and buildings at Minto for $4.25 million (Refer to Note 13 for further details).

Other than the above, there have been no other matters or circumstances that have arisen since 30 June 2019 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs.

Likely Developments and Expected Results of Operations

The Group expects the results to grow in future years, 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 4 to 13 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) had 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. Subsequent to year end the Mortdale proceedings have concluded with a fine of $30,000 imposed. As the Minto matter is still before the Court it is not possible to foreshadow the penalty that may be imposed, however BINGO is of the view that any penalty will not be material to earnings.

There were no other material breaches of environmental statutory requirements and no other material prosecutions during the year.

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)	• A former 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.
Maria Atkinson AM *Non-Executive Director* *BAppSc, GAICD* Chair of the People and Culture Committee(i) Member of the Audit and Risk Committee Member of Zero Harm Committee	• Internationally recognised sustainability strategist with numerous previously held 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. • Maria currently holds Non-Executive Director positions including at the LafargeHolcim Foundation for Sustainable Construction (Switzerland), The US Studies Centre (Australia) and is a graduate of the Australian Institute of Company Directors. • Maria was the 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, Non-Executive Chairman of Automotive Holdings Group Limited and Non-Executive Director of Nanosonics Limited and Japara Healthcare Limited. • Retired as Non-Executive Director of Atlas Arterial Limited (formerly Macquarie Atlas Roads Limited) on 30 November 2018. • 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.
Daniel Girgis, CFA *Non-Executive Director* *AppFin, Bcom - ActStud* Member of the Audit and Risk Committee	• Daniel Girgis has had an involvement with BINGO for almost a decade. Mr Girgis has supported the executive team and its vision to grow BINGO from its early days as a skip bin collection operation to a fully integrated national waste business. • Mr Girgis' financial and corporate advisory background has enabled him to play a significant role in the many acquisitions BINGO has made over the years. He holds a Bachelor in Commerce majoring in Actuarial Studies and a Chartered Financial Analyst (CFA) designation.

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

Information on Directors (continued)

Name	Particulars
Ian Malouf *Non-Executive Director*	• Ian joined the Board in March 2019 following the completed acquisition of Dial-A-Dump Industries by BINGO. • Since founding DADI in 1984, Ian grew the business into a leading resource recovery and recycling business in NSW through commercial and industrial real estate acquisitions and the development of innovative technology. • Ian brings over 35 years of waste management operations expertise and an extensive track record of development execution. • He retains interests in other waste-related activities independent of BINGO, as well as interests in commercial real estate development and the leisure sector.
Barry Buffier AM *Non-Executive Director* *FAICD, B.Rur Sc(hons), M Econs* Chair of the Zero Harm Committee	• Extensive career in the public and private sector, most recently holding the role as Chairman and CEO of the NSW Environment Protection Authority (EPA) from 2012 to 2018. • Between 2009 to 2012, Mr Buffier was Deputy Director General of Industry & Investment NSW. • Prior to this he held Director-General roles at both the NSW Department of State & Regional Development and NSW Department of Primary Industries • 1993-2001, National Manager, Agribusiness, at Westpac.
Daniel Tartak *Managing Director and Chief Executive Officer, MAICD*	• Daniel brings deep industry knowledge and connectivity to his role of CEO, having spent the last 14 years in the waste industry. • Leading BINGO as CEO since July 2015, Daniel has been integral in the formation and execution of the business strategy, including listing on the ASX and more recently, geographical expansion and vertical integration. • Experienced in leading large, geographically dispersed teams and with a strong passion for people. Daniel has successfully led BINGO's expansionary strategy including overseeing several successful acquisitions, and most recently the acquisition of Dial-A-Dump Industries in 2019. • Daniel is an innovative leader with a vision to create the first vertically integrated Recycling Ecology Park in Australia at the newly acquired Eastern Creek facility. • Member of the Australian Institute of Company Directors.

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]		Zero Harm Committee[5]	
Directors	Meetings Held While a Director	Number Attended	Meetings Held While a Director	Number Attended	Meetings Held While a Director	Number Attended	Meetings Held While a Director	Number Attended
Michael Coleman[1]	14	13[(i)]	-	-	4	4	-	-
Maria Atkinson AM[3]	14	14	5	5	4	4	1	1
Richard England[2]	14	14	5	5	4	4	-	-
Daniel Girgis	14	13	5	5	-	-	-	-
Ian Malouf	3	1	-	-	-	-	-	-
Barry Buffier AM[6]	14	14	-	-	-	-	1	1
Daniel Tartak	14	14	-	-	-	-	-	-

(i) Leave of absence granted for medical reasons

1 Chair of the Board. As Chair, Mr Coleman attends all Committee meetings.
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.
5 The Zero Harm Committee was established on 9 May 2019.
6 Chair of the Zero Harm Committee

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 2019 as follows:

Directors	Ordinary Shares	Performance Rights over Ordinary Shares
Michael Coleman	187,272	-
Maria Atkinson AM	61,166	-
Richard England	73,602	-
Daniel Girgis	55,555	-
Ian Malouf	79,836,835	-
Barry Buffier AM	60,000	-
Daniel Tartak	99,308,198	433,147

Shares Under Option

During the year ended 30 June 2019 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 2019 financial period are set out in the Remuneration Report. Total performance rights outstanding as at 30 June 2019 are 2,989,230 (2018: 1,681,154). Performance rights outstanding at the date of this report are 1,911,692.

Shares Issued on the Exercise of Performance Rights

During the year ended 30 June 2019 and up to the date of this report, the Company issued 1,073,683 shares as a result of the exercise of performance rights that vested during the year (2018: 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 35 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 35 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 33.

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

22 August 2019
Sydney

Remuneration Report (audited)

A message from our Chair of the People & Culture Committee

Dear Shareholder,

The preservation of the core of the BINGO culture in another year of extraordinary growth has been key to the successful integration of people from the various businesses we have acquired into our 'Bingo Way'. Having a unified culture is critical.

Throughout the last year we have achieved notable success - namely, the full integration of our acquisitions, growth in our Victorian network, the completion of major redevelopments and the transformational purchase of Dial-A-Dump Industries ('DADI').

A commitment to safety is fundamental to our culture and strategy. It is with regret that we experienced tragic fatalities which heighten our resolve to take the necessary steps at all times to think safe, be safe and go home safe. Substantial lessons have been learned as a result of reflection, assessment and the implementation of corrective and protective strategies.

Financial Year 2019 was a transitional year for BINGO; the development program, which is now largely complete, together with the acquisition of DADI, has transformed our operating footprint and provides a platform for future growth from FY20. We are on track to deliver significant synergies from this acquisition and we continue to reconfigure our network to maximise operational transport and tipping efficiencies. Our growth in the Victorian market continues, providing new and innovative solutions through the introduction of our technologies at our new West Melbourne facility. The financial results for FY19 are best illustrated by revenue growth of 32.4% and underlying EBITDA growth of 13.2%.

Our reward plan continues to mature in order to align to our business strategy and support further sustainable growth. This year's learning has resulted in some changes to our rewards plan for FY20, most notably, the replacement of the 'Relative EPS' measure with a 'Return on Capital Employed' ('ROCE') measure with a 'Weighted Average Cost of Capital' ('WACC') gate.

Our contemporary approach to rewards aligns our Executive Leadership Team, drives collaborative behaviours and ensures coordination of activities and responsibilities across the business to encourage out-performance and the sustainable positive growth of BINGO. We will continue to listen and learn from best practice examples to ensure an appropriate balance between short and long term focus, and align employee interests to those of our shareholders. We remain committed to ensuring a disciplined approach to pay for performance and this is reflected in the outcomes of this year's awards. The significance of the events during FY19 have resulted in no STI components being awarded for FY19.

On behalf of the People and Culture Committee, I present to you the BINGO Remuneration Report for the financial year 2019.

Maria Atkinson, AM
Chair, People & Culture Committee

22 August 2019
Sydney

Remuneration Report (audited)

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1. **Executives & Non-Executive Directors Covered by This Report**
2. **Our Rewards Framework & Philosophy**
3. **Governance**
4. **Executive Remuneration – Performance, Outcomes & Disclosures**
5. **Other Disclosures & Shareholdings**

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 2019 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	Full Year
Geoffrey Hill	Chief Executive - VIC	Full Year
Rodney Johnson	Chief Executive - Building & Demolition NSW	Appointed 26 March 2019

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
Barry Buffier AM	Non-Executive Director	Appointed 2 July 2018
Ian Malouf	Non-Executive Director	Appointed 29 March 2019

Remuneration Report (audited)

2. Our Rewards Framework & Philosophy

Throughout its history, BINGO has placed strong importance on recognising and rewarding the significant contributions of key personnel. We continue this BINGO legacy, recognising the performance of our Senior Executive Leaders through the Executive Rewards Program, and all employees through other aligned reward and recognition programs in place across the BINGO Group.

Our Executive Rewards Program supports our vision and strategic intent. We will continue to evaluate its effectiveness in achieving the culture and performance desired and needed to achieve our strategic objectives. The following diagram outlines the framework that supports our Executive Rewards Program.

Non-Executive Director Remuneration

Since IPO, the remuneration structure of Non-Executive Directors had not been reviewed or modified. As BINGO is now an established listed entity that has experienced significant growth since IPO, it was timely to review the remuneration structure and fees paid to Non-Executive Directors. This resulted in some changes to structure and fees during the past 12 months. In determining the outcomes benchmarking was completed to consider and provide feedback on:

- 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.

2. Our Rewards Framework & Philosophy (continued)

Non- Executive Director Remuneration (continued)

The following table describes the adopted framework, with the main change in structure being a move from a bundled to unbundled approach. This provides clarity in, and recognition for, performance of different roles within the Board structure.

Fee Type	Amount
Chair of Board	$ 220,000
Non-Executive Director	$ 110,000
Chair of Committee	$ 20,000
Committee Member	$ 10,000

Our Non-Executive Directors do not receive performance or incentive based pay or lump-sum retirement benefits, with the exception of Daniel Girgis who received a one-off transactional bonus in 2017 on the completion of the IPO of the equivalent of $100,000 in performance rights deferred for 2 years subject to remaining in office.

During FY19 the implementation of a minimum BINGO shareholding requirement for our Non-Executive Directors was agreed. All BINGO Non-Executive Directors and the Chair of the Board are required to acquire shares equal to 100% of the value of their annual base fee (as at time of purchase) within three years of appointment or within three years of the introduction of this requirement. Director shareholdings are disclosed in section 5 of this report.

The total amount payable (Board Fee Cap) to Non-Executive Directors as approved at the November 2018 Annual General Meeting has been set at $1.5 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	2019	$ 197,500	-	-	-	-	$ 197,500
	2018	$ 175,000	-	-	-	-	$ 175,000
Maria Atkinson	2019	$ 131,425	-	-	-	-	$ 131,456
	2018	$ 120,000	-	-	-	-	$ 120,000
Richard England	2019	$ 130,000	-	-	-	-	$ 130,000
	2018	$ 120,000	-	-	-	-	$ 120,000
Daniel Girgis (i)	2019	$ 120,000	-	-	-	$ 39,315	$ 159,315
	2018	$ 120,000	-	-	-	$ 50,000	$ 170,000
Barry Buffier (ii)	2019	$ 107,849	-	-	-	-	$ 107,849
Ian Malouf (iii)	2019	$ 27,500	-	-	-	-	$ 27,500
Total	**2019**	**$ 714,274**	**-**	**-**	**-**	**$ 39,315**	**$ 753,620**
Total	**2018**	**$ 535,000**	**-**	**-**	**-**	**$ 50,000**	**$ 585,000**

(i) Daniel 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.
(ii) Barry Buffier appointed 2 July 2018.
(iii) Ian Malouf appointed 29 March 2019.

2. Our Rewards Framework & Philosophy (continued)

Senior Executive Leader Remuneration

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. We are continually assessing, reviewing and improving our programs to enhance engagement and performance.

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. Pay in the variable context is directly linked to performance.

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.

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, provided particular gates (financial & non-financial) are achieved. The Board has ultimate discretion to scale up or down any component or total amount payable. The Short-Term Incentive is paid 50% in cash immediately following the performance period and 50% deferred as performance rights, vesting 12 months later, 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 alignment with shareholder interests. Performance rights vest over a 3 & 4 year period in two tranches, 50% of each tranche are subject to Total Shareholder Return (TSR) and 50% of each tranche are subject to Earnings Per Share (EPS) hurdles. The proportion of vesting is dependent on the BINGO Group's 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. In reviewing our Long-Term Incentive Plan and considering the feedback of our shareholders and participants, FY20 will see the replacement of the relative EPS performance hurdle. Our new measure will be Return On Capital Employed (ROCE) with a Weighted Average Cost of Capital (WACC) gate. If ROCE is less than target, no vesting will occur. If ROCE reaches target and is at least WACC +1%, 50% vesting will occur. Where performance is up to 100bps over target (given ROCE at least WACC +1%), pro-rata straight line of earnings between 50-100% will be awarded. **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 50^{th} percentile and the 75^{th} percentile with 100% vesting above the 75^{th} percentile. No TSR performance rights will vest if the Company's TSR is at or below the 50^{th} 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.

Remuneration Report (audited)

2. Our Rewards Framework & Philosophy (continued)

Senior Executive Leader Remuneration (continued)

Component	Description
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 the BINGO Group 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 vesting 30 June 2019. Approval for the issue of these shares was granted by the Board in July 2019.

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.

Component	Year 1	Year 2	Year 3	Year 4
Fixed Remuneration				
Cash STI\Transaction bonus				
Deferred STI 1 Year\Transaction bonus				
Deferred STI 2 Years (i)				
LTI 3 Year Performance Period				
LTI 4 Year Performance Period				

(i) Applicable only to FY18 STI awards.

3. Governance

Our Board takes a proactive approach to decision making in the evaluation of executive remuneration outcomes. Our remuneration and governance frameworks enable our Board to assess the achievement of strategic objectives and balance the interests of shareholders.

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 FY19 there were changes to the remuneration of some of the Senior Executive Leaders at BINGO. The Board are committed to providing competitive rewards that attract and retain talent and compensate Senior Executive Leaders commensurate with the progress and growth of BINGO Industries. The process of reviewing and rewarding increases to fixed or variable pay opportunity was undertaken with an independent consultancy and the outcomes of which are detailed in section 4.

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 and 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 continuously improve 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.

3. Governance (continued)

Determining Executive Rewards Plans

We continue to use independent data and advice in the annual evaluation of Senior Executive Leaders remuneration and benefits. It is important to ensure they 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. We are continuing to refine our approach to shift our incentive plans to recognise and reward for more contemporary strategic inputs that result in out-performance outcomes for BINGO, adding to shareholder value.

4. Executive Remuneration – Performance, Outcomes & Disclosures

2019 Group Performance Highlights

Anticipated to be a transitional year, 2019 presented some headwinds for BINGO Industries resulting in performance highs and lows. Outcomes against stated objectives were mixed, with weighting and gates being strictly maintained and Board discretion applied to remuneration outcomes. Key performance metrics below illustrate a snapshot of performance results:

- LTIFR of 0.80 as at 30 June 2019. A decline from the PCP of 1.5 as at 30 June 2018. This number is inclusive of our two employee fatalities that are categorised as a significant event.
- Strong performance was maintained in employee experience with +80% score for the oganisation.
- Downgrade of underlying EBITDA in February 2019 compared with previous guidance in August 2018
- Strong strategic execution:
  - completion of the DADI acquisition and network reconfiguration
  - operating model refresh and implementation of new organisational structure
  - delivery of asset development program
  - completion of VIC integration and launch of growth program
- Continued year-on-year revenue growth with net revenue increasing by 32.4% against the PCP of $303.8 million
- Strong cash flow continued with 109.8% Cash Conversion for the year ended 30 June 2019.
- Net bank debt was $275.8 million, representing a 101.9% increase to the PCP of $136.6 million.

Group	Full year ended 30 June 2019 $ millions	Full year ended 30 June 2018 $ millions	YoY Variance %
Revenue and other income	402.2	303.8	32.4%
Statutory EBITDA (i)	72.4	84.9	(14.7%)
Statutory NPAT	22.3	38.0	(41.4%)
EPS	3.9 cents	9.8 cents	(60.2%)
TSR	(15%)	56%	n/a

(i) EBITDA as calculated in Note 5 of the financial report.

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

CEO Scorecard and Performance – 2019

Daniel Tartak

Mr Tartak's remuneration is structured as 38.5% fixed and 61.5% at risk. At risk includes 38.4% variable under the STI component (of which 50% is deferred equity) and 23.1% LTI component. During the year, the Financial and the Safety, Environment & Quality hurdles were not met. Accordingly no payment was awarded under the STI component for Mr Tartak or any of the KMP.

Component	Strategic Priorities	Weighting	Description	Outcome	Performance Assessment
Safety, Environment & Quality (SEQ)		20%	A combination of stretch and lead metrics that incentivise for prevention and early recognition of SEQ risks. 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 many metrics in this area. However, the fatalities experienced result in significant underperformance for SEQ across the business. LTIFR of 0.80 Lead indicators: Leader Toolbox Talk Delivery Significantly Outperformed. Leader Lead Safety Walks 111% of target achieved.
Financial		40%	Key financial performance metrics include Revenue, NPAT, EBITDA, Cash Conversion and Net Debt.		Revenue growth of 32.4%. NPAT decline of 41.4%. EBITDA decline of 14.7%, 109.8% Cash Conversion and exceeding our target leverage ratio now at 2.6x. However, restating of guidance impacts this performance component significantly.
People & Culture		20%	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.		On target reduction in employee turnover Employee Experience score of +80% Succession Planning – strong bench strength maintained Gopeople System Implementation delayed
Customer		10%	A combination of lead and lag indicators that measure quality and service levels.		Positive growth in Net Promoter Score ("NPS") Service levels revised, implemented and tracked Customer Service Recognition program implemented with strong uptake.
Strategic Initiatives		10%	Key investment metrics include ROCE and EPS Accretion.		The Group has been set up for sustainable growth however it is not reflected in the current results with ROCE at 9.2% and EPS of 3.9 cents down from 9.8 cents.

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

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

Summary of Senior Executive Leader Remuneration FY19

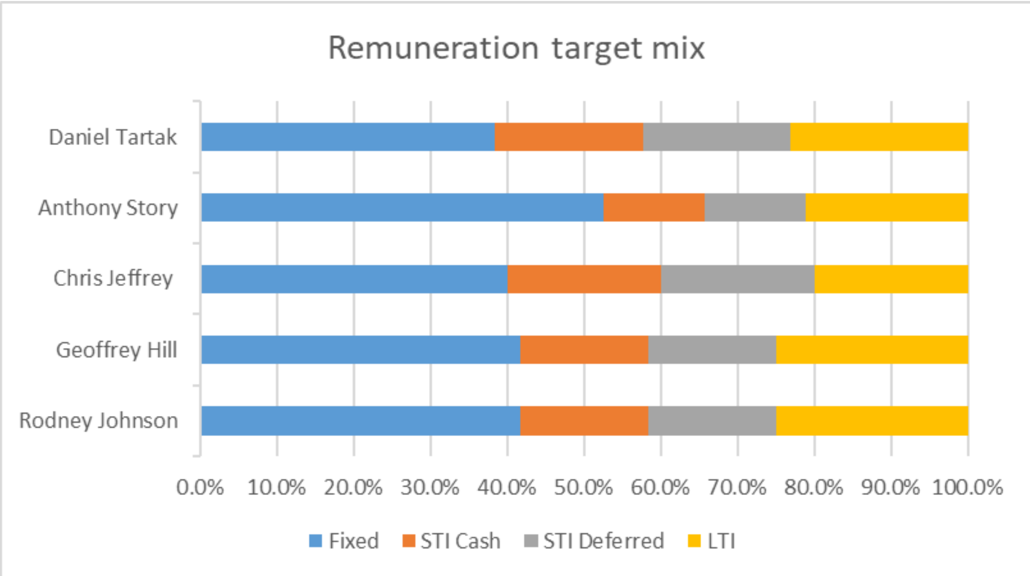
		Short-term benefits			Post employment benefits	Share based payments			Other Long-term benefits		Fixed	Variable – At Risk	
Name	**Year**	**Cash salary and Fees**	**STI**	**Transactional bonus**	**Superannu-ation**	**STI**	**LTI**	**Transactional bonus**	**Annual & long service leave**	**Total**		**STI**	**LTI**
Executive Directors													
Daniel Tartak	2019	$ 731,018	-		$ 20,486	$ 66,131	$ 187,393	-	$ 146,145	$ 1,151,173	78%	6%	16%
	2018	$ 527,451	$ 198,392		$ 20,049	$ 66,131	$ 63,939	-	$ 41,856	$ 917,818	64%	29%	7%
Other Executive KMP													
Anthony Story	2019	$ 397,831	-		$ 20,486	$ 28,391	$ 77,072	$ 49,144	($ 6,197)	$ 566,727	73%	14%	13%
	2018	$ 369,951	$ 85,175		$ 20,049	$ 28,391	$ 30,226	$ 62,500	$ 21,138	$ 617,430	67%	28%	5%
Chris Jeffrey	2019	$ 442,639	-		$ 20,486	$ 54,033	$ 98,720	-	$ 25,114	$ 640,992	76%	8%	16%
	2018	$ 329,951	$ 162,099		$ 20,049	$ 54,033	$ 33,907	-	$ 22,075	$ 622,114	60%	35%	5%
Geoffrey Hill (i)	2019	$ 400,000	-		$ 22,212	$ 30,297	$ 95,172	-	($ 10,195)	$ 537,486	77%	6%	17%
	2018	$ 242,692	$ 78,353		$ 13,970	$ 26,118	$ 23,196	-	$ 10,697	$ 395,026	68%	26%	6%
Rodney Johnson (ii)	2019	$ 86,154	-		$ 5,133	-	$ 488	-	$ 3,759	$ 95,534	99%	0%	1%
Total	**2019**	**$ 2,057,642**	**-**		**$ 88,803**	**$ 178,852**	**$ 458,845**	**$ 49,144**	**$ 158,626**	**$ 2,991,912**			
Total	**2018**	**$ 1,470,045**	**$ 524,019**		**$ 74,117**	**$ 174,673**	**$ 151,268**	**$ 62,500**	**$ 95,766**	**$ 2,552,388**			

(i) Commenced with BINGO in November 2017. 2018 disclosures relate to the period from November 2017 to June 2018.
(ii) Commenced with BINGO in March 2019. 2019 disclosures relate to the period from March 2019 to June 2019.

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

Summary of Senior Executive Leader Remuneration FY19 (continued)

The graph below shows the target mix of remuneration awarded to our Senior Executive Leaders. A significant proportion of remuneration awarded (approximately 45-62%) falls 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. No STI components were awarded for FY19.



Service Agreements

Service Agreements	Position	Contract Duration	Employer Notice Period	Employee Notice Period
Daniel Tartak	Managing 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 Executive – VIC	Ongoing	6 months	6 months
Rodney Johnson	Chief Executive – Building & Demolition NSW	Ongoing	3 months	3 months

5. Other Disclosures & Shareholdings

Performance Rights

Name	Year	Beginning of Year	Granted as a STI (i)	Granted as a LTI	Vested	Forfeited	Balance end of Year
Non-Executive Directors							
Daniel Girgis	2019	55,555	-	-	55,555	-	-
	2018	55,555	-	-	-	-	55,555
Executive Directors							
Daniel Tartak	2019	259,281	-	211,840	-	-	471,121
	2018	183,333	75,948	-	-	-	259,281
Other Executive KMP							
Anthony Story	2019	188,716	-	80,386	69,444	-	199,658
	2018	156,110	32,606	-	-	-	188,716
Chris Jeffrey	2019	159,276	-	111,216	-	-	270,492
	2018	97,221	62,055	-	-	-	159,276
Geoffrey Hill	2019	108,832	-	99,868	-	-	208,700
	2018	-	34,794	74,038	-	-	108,832
Rodney Johnson	2019	-	-	20,308	-	-	20,308
Total	**2019**	**771,660**	**-**	**523,618**	**124,999**	**-**	**1,170,279**
Total	**2018**	**492,219**	**205,403**	**74,038**	**-**	**-**	**771,660**

(i) FY18 STI Performance rights were earnt in FY18 and granted during FY19. The numbers shown as granted in the FY18 report were adjusted following a slight correction to the VWAP price.

Options and Rights

At 30 June 2019, 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-Apr-17	1	30-Jun-20	173,888	-	173,888
13-Apr-17	2	30-Jun-21	173,888	-	173,888
1-May-17	1	30-Jun-20	9,722	-	9,722
1-May-17	2	30-Jun-21	9,722	-	9,722
13-Nov-17	1	30-Jun-20	37,019	-	37,019
13-Nov-17	2	30-Jun-21	37,019	-	37,019
28-Sep-18	1	30-Jun-21	-	251,655	251,655
28-Sep-18	2	30-Jun-22	-	251,655	251,655
15-Jun-19	1	30-Jun-21	-	10,154	10,154
15-Jun-19	2	30-Jun-22	-	10,154	10,154
Total			**441,258**	**523,618**	**964,876**

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.

5. Other Disclosures & Shareholdings (continued)

Options and Rights (continued)

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

Name	Year Granted	Number Granted	Rights Price at date of Grant[(i)] $	Vested %	Forfeited	Year in which shares may vest	Fair value at Grant date $
Non Executive Directors							
Daniel Girgis	2017	55,555	1.80	100%	-	2019	100,000
Executive Directors							
Daniel Tartak	2019	105,920	2.64	-	-	2021	260,034
	2019	105,920	2.64	-	-	2022	261,093
	2018	37,974	2.61	-	-	2019	96,360
	2018	37,974	2.61	-	-	2020	96,360
	2017	91,667	1.80	-	-	2020	118,249
	2017	91,666	1.80	-	-	2021	114,583
Other Executive KMP							
Anthony Story	2019	40,193	2.64	-	-	2021	98,674
	2019	40,193	2.64	-	-	2022	99,076
	2018	16,303	2.61	-	-	2019	41,367
	2018	16,303	2.61	-	-	2020	41,367
	2017	69,444	1.80	100%	-	2019	125,000
	2017	43,333	1.80	-	-	2020	55,900
	2017	43,333	1.80	-	-	2021	54,166
Chris Jeffrey	2019	55,608	2.64	-	-	2021	136,518
	2019	55,608	2.64	-	-	2022	137,074
	2018	31,027	2.61	-	-	2021	78,859
	2018	31,027	2.61	-	-	2022	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	2019	49,934	2.64	-	-	2021	122,587
	2019	49,934	2.64	-	-	2022	123,087
	2018	17,397	2.61	-	-	2022	45,445
	2018	17,397	2.61	-	-	2020	45,445
	2018	37,019	2.08	-	-	2021	57,009
	2018	37,019	2.08	-	-	2021	56,454
Rodney Johnson	2019	10,154	1.59	-	-	2021	14,368
	2019	10,154	1.59	-	-	2022	14,774

(i) The 2018 grant price disclosed in last year's remuneration report ($2.64) was adjusted when the STI performance rights were issued in September 2018 ($2.61). The dollar value of the rights awarded were not affected.

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:

Directors	Ordinary Shares	Performance Rights over Ordinary Shares
Michael Coleman	187,272	-
Maria Atkinson AM	61,166	-
Richard England	73,602	-
Daniel Girgis	55,555	-
Ian Malouf	79,836,835	-
Barry Buffier AM	60,000	-
Daniel Tartak	99,308,198	433,147
Anthony Story	105,432	183,355
Chris Jeffrey	286,968	239,464
Geoffrey Hill	76,180	194,265
Rodney Johnson	-	20,308

THIS IS THE END OF THE REMUNERATION REPORT (AUDITED)

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
Bingo Industries Limited
305 Parramatta Road
Auburn NSW 2148

22 August 2019

Dear Board Members

Auditor's Independence Declaration to Bingo Industries Limited

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.

As lead audit partner for the audit of the consolidated financial report of Bingo Industries Limited for the year ended 30 June 2019, 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 faithfully

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 2019

	Note	2019 $'000	2018 $'000
Revenue	3	395,739	300,203
Other income	3	6,419	3,641
Total revenue and other income		**402,158**	**303,844**
Tipping and transportation costs		(172,074)	(112,679)
Employee benefits expenses	4	(96,489)	(76,164)
Depreciation and amortisation expenses	4	(35,827)	(21,875)
Trucks and machinery costs		(13,012)	(9,691)
Finance costs	24	(6,791)	(6,799)
Acquisition costs		(21,156)	(2,313)
Rent and outgoings	4	(3,262)	(2,093)
Capital raising costs		(683)	(813)
Other expenses		(22,069)	(16,191)
Total expenses		**(371,363)**	**(248,618)**
Profit before income tax		30,795	55,226
Income tax expense	6	(8,530)	(17,223)
Profit for the year attributable to owners of the Company		**22,265**	**38,003**
Total comprehensive income for the year attributable to the owners of the Company		**22,265**	**38,003**
Earnings per share			
Basic earnings per share	7	3.9 cents	9.8 cents
Diluted earnings per share	7	3.9 cents	9.8 cents

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

Consolidated Statement of Financial Position
as at 30 June 2019

	Note	2019 $'000	2018 $'000
Assets			
Current assets			
Cash and cash equivalents	8a	39,189	21,443
Trade and other receivables	9	71,317	47,013
Contract assets	10	3,586	-
Inventories	11	7,552	5,595
Assets held for sale	19	24,928	4,674
Other assets	12	12,468	11,957
Total current assets		**159,040**	**90,682**
Non-current assets			
Property, plant and equipment	13	679,167	364,706
Intangible assets	14	497,476	121,870
Deferred tax asset	6	-	497
Total non-current assets		**1,176,643**	**487,073**
Total assets		**1,335,683**	**577,755**
Liabilities			
Current liabilities			
Trade and other payables	15	145,674	75,138
Contract liabilities	16	3,056	2,534
Borrowings	23	7	2,388
Income tax payable	6	6,391	10,591
Provisions	17	5,011	3,108
Total current liabilities		**160,139**	**93,759**
Non-current liabilities			
Borrowings	23	313,255	174,137
Deferred tax liabilities	6	25,852	-
Provisions	17	9,987	695
Other payables	15	-	28,899
Total non-current liabilities		**349,094**	**203,731**
Total liabilities		**509,233**	**297,490**
Net assets		**826,450**	**280,265**
Equity			
Issued capital	26	1,288,923	748,137
Other contributed equity		1,244	1,244
Reserves	27	(541,825)	(543,616)
Retained earnings		78,108	74,500
Total equity		**826,450**	**280,265**

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

	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 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	26	126,504	-	-	-	-	126,504
• Costs capitalised to equity (net of tax)	26	(2,382)	-	-	-	-	(2,382)
• Recognition of equity settled share-based payments	27	-	-	-	1,290	-	1,290
Dividends paid or provided during the year	28	-	-	-	-	(7,119)	(7,119)
Balance 30 June 2018		**748,137**	**1,244**	**(545,068)**	**1,452**	**74,500**	**280,265**
Balance 1 July 2018		**748,137**	**1,244**	**(545,068)**	**1,452**	**74,500**	**280,265**
Effect of adoption of new accounting standards	2	-	-	-	-	(342)	(342)
Balance 1 July 2018 as restated		**748,137**	**1,244**	**(545,068)**	**1,452**	**74,158**	**279,923**
Profit for the year		-	-	-	-	22,265	22,265
Total comprehensive income for the year		-	-	-	-	22,265	22,265
Transactions with owners, in their capacity as owners and other transfers							
• Issue of shares	26	553,522	-	-	-	-	553,522
• Share buyback	26	(7,330)	-	-	-	-	(7,330)
• Costs capitalised to equity (net of tax)	26	(5,406)	-	-	-	-	(5,406)
• Recognition of equity settled share-based payments	27	-	-	-	1,791	-	1,791
Dividends paid or provided during the year	28	-	-	-	-	(18,315)	(18,315)
Balance 30 June 2019		**1,288,923**	**1,244**	**(545,068)**	**3,243**	**78,108**	**826,450**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Receipts from customers		444,887	325,754
Payments to suppliers and employees		(347,762)	(248,865)
Income tax paid		(22,116)	(7,289)
Net Cash Flows from Operating Activities	8b	**75,009**	**69,600**
Purchase of property, plant and equipment		(209,871)	(122,967)
Purchase of business	18	(370,396)	(91,774)
Purchase of intangible assets	14	(5,229)	(1,809)
Proceeds from sale of non-current assets		2,485	7,338
Interest received	24	1,946	86
Net Cash Flows used in Investing Activities		**(581,065)**	**(209,126)**
Proceeds from issue of shares		424,926	120,067
Capital raising costs		(7,339)	(3,401)
Proceeds from borrowing	23	333,000	119,000
Repayment of borrowing	23	(176,000)	(77,500)
Settlement of finance lease liabilities	23	(19,750)	-
Dividend paid	28	(17,770)	(4,415)
Share buy-back	26	(7,330)	-
Interest paid		(5,935)	(6,060)
Net Cash Provided by Financing Activities		**523,802**	**147,691**
Net increase/ (decrease) in cash held		**17,746**	**8,165**
Cash at the beginning of the year		21,443	13,278
Cash at the end of the year	8a	**39,189**	**21,443**

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

Note 1. General Information

Bingo Industries Limited ("the Company") is a company incorporated in Australia and listed on the Australian Securities Exchange. The Company was incorporated as a public company on 3 March 2017.

The consolidated financial statements of the Company and its controlled entities ("the Group") were authorised for issue by the Directors on 22 August 2019.

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 waste processing centres and the manufacture of bins. During the year, the Group acquired Landfill assets to enhance waste processing capabilities and drive vertical integration. No other significant change in the nature of these activities occurred during the financial year.

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

305 Parramatta Road
Auburn NSW 2144

Note 2. Summary of Significant Accounting Policies

Statement of compliance

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

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

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

Basis of preparation

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

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

Basis of consolidation

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

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

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

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

Note 2. Summary of Significant Accounting Policies (continued)

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:

Rectification and Remediation

The Group's remediation and rectification provisions are calculated based on the present value of the future cash outflows expected to be incurred to remediate landfills. This includes the cost of capping the landfill site, remediation and rectification costs and post-closure monitoring activities. The measurement of the provisions requires significant estimates and assumptions such as: discount rate, inflation rate, assessing the requirements of the Environment Protection Authority (EPA) or other government authorities, the timing, extent and costs of activity required and the area of the landfill to be remediated or rectified. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

The provisions for remediation and rectification for each landfill site will be periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for remediating open sites, still accepting waste, are recognised in the Consolidated Balance Sheet by adjusting both the remediation asset and provision. For closed sites, changes to the estimated costs are recognised in the Consolidated Statement of Profit or Loss. Changes to estimated costs related to rectification provisions are recognised in the Consolidated Statement of Profit or Loss. Further details on the Group's landfill rectification and remediation accounting policy are disclosed in Note 17.

Accounting for acquisitions

During March 2019, the Group completed the acquisition of Dial-A-Dump Industries and certain related entities (DADI).

An independent consultancy firm was engaged by the Group to provide a Purchase Price Allocation (PPA) report for the acquisition of DADI. A preliminary assessment of the valuation of identifiable intangible assets acquired has been performed. The preliminary assessment incorporated certain judgements and assumptions around customer attrition, brand recognition and other qualitative factors in determining the values to be attributed.

Further valuations were obtained for land, landfill and fixed assets from external valuers and quantity surveyors and were used in determining the fair value of these assets. The landfill asset was valued using the capitalised notional royalty income stream method.

At the date of this financial report valuations and the preliminary PPA report are not yet finalised and, consequently, acquisition accounting is on a provisional basis. Further details are disclosed in Note 18.

Accounting for Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The estimation of the useful lives of these intangible assets has been based on historical experience and expected usage of the intangible asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Refer to Note 14 for more detail of each type of intangible asset and useful lives adopted.

Goods and services tax

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

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

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

Note 2. Summary of Significant Accounting Policies (continued)

Deficiency in net current assets

The consolidated statement of financial position as at 30 June 2019 reflects a net current deficiency as at 30 June 2019 of $1,100,000 (June 2018: $3,077,000 net current deficiency). The net current deficiency arises mainly due to the classification of the deferred consideration payable of $29,997,000 on the Patons Lane acquisition, with the third instalment classified as current because it is due and payable in July 2019. The Directors are satisfied that the Group will be able to meet its working capital requirements through budgeted cashflows generated from the operations, and if required, draw down of unused facilities.

Comparative information

Prior year balances have been adjusted to reflect reclassifications within the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Comparative interest income in the Consolidated Statement of Profit or Loss of $86,000 has been reclassified from Net finance costs to Other Income.

Prior year balances have also been adjusted to reflect reclassifications within the Consolidated Statement of Financial Position. Comparative current liabilities in the Consolidated Statement of Financial Position of $2,534,000 has been reclassified from Trade and Other Payables to Contract Liabilities.

New and amended standards adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current financial year.

New and revised Standards and amendments thereof and Interpretations effective for the current financial year that are relevant to the Group include:

- AASB 9 *Financial Instruments* and related amending Standards; and
- AASB 15 *Revenue from Contracts with Customers* and related amending Standards.

AASB 9 'Financial Instruments' and related amending Standards

In the current financial year, the Group has applied AASB 9 Financial Instruments and the related consequential amendments to the Accounting Standard for the first time. AASB 9 addresses the classification, measurement and impairment of financial assets and financial liabilities and the application of hedge accounting.

Classification and measurement of financial assets and financial liabilities

The Group has no complex financial instruments. As a result, there have been no changes to the classification and measurement of financial assets and financial liabilities.

Impairment of financial assets

Trade receivables and contract assets

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The calculation of impairment losses impacts the way the Group calculates the provision for doubtful debts, now termed the credit loss allowance. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The Group always recognises a lifetime expected credit loss (ECL) for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

The expected loss rates applied to the gross carrying amount of trade receivables and contract assets are provided in Note 9 and Note 10 respectively.

As permitted by AASB 9, the Group has not restated comparative financial statements and has recorded transition adjustments to the opening balance sheet and retained earnings at 1 July 2018. The transition adjustment was a $342,000 charge to retained earnings.

Note 2. Summary of Significant Accounting Policies (continued)

New and amended standards adopted by the Group (continued)

AASB 15 'Revenue from Contracts with Customers' and related amending Standards

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. The group has applied the modified retrospective approach without applying any practical expedients available to the Group.

Under AASB 15, revenue recognition for each of the Group's key revenue streams is as follows:

Segment	Revenue Stream	Performance obligation	Timing of recognition
Collections	Skip bin revenue	Collection of a wide range of skip bins from private households, infrastructure projects and residential and commercial construction companies for the disposal of B&D waste.	Point in time recognition when the bins are collected.
Collections	Commercial bin revenue	Collection of various solid and liquid waste streams from a range of commercial and industrial customers;	Point in time recognition when the bins are collected.
Post Collections	Recycling centre gate fee revenue	Collecting gate fees from customers when the waste is received at BINGO's network of resource recovery and recycling centres	Point in time recognition when the waste is received.
Post Collections	Recycled products revenue	Sale of recycled products from BINGO's recycling centres	Point in time recognition when the goods are transferred.
Post Collections	Landfill gate fee revenue	Collecting gate fees from customers when the waste is received at BINGO's landfill sites.	Point in time recognition when the waste is received.
Other	Waste equipment sales revenue	Supply of waste equipment, including the manufacturing of steel bins and distribution of plastic bins.	Point in time recognition when the goods are transferred.

The timing of revenue recognition under AASB 15 remains substantially unchanged. There were no adjustments recognised to revenue on transition. The disaggregation of revenue streams is disclosed in Note 3.

The Group has adopted the terminology used in AASB 15 of 'contract liability' to describe deferred revenue and 'contract asset' to describe deferred revenue receivable.

Contract Liabilities (or deferred revenue) arises when bins have been delivered to customer sites and have not been collected as the performance obligation is to yet to be fulfilled. The trade receivables in relation to the deferred revenue which were previously included in trade and other receivables has been reclassified as a contract asset as the Group's right to consideration is subject to the completion of its performance obligation. At 30 June 2019, this reclassification was $3.60 million (1 July 2018: $2.82 million) to contract assets. Trade receivables, as a result of AASB 15 adoption, has changed from $74.9 million to $71.3 million at 30 June 2019. There was no impact on the Consolidated Statement of Profit or Loss as a result of these reclassifications.

The adjustment to deferred revenue relates to the reclassification of a balance that was previously recognised as part of deferred revenue and that has been reclassified as a contract liability from trade and other payables (see Note 16). At 30 June 2019 this reclassification was $3.06 million (2018: $2.53 million) to contract liabilities. This balance relates to a portion of the Group's skip bin revenue. This had no impact on the Consolidated Statement of Profit or Loss.

Note 2. Summary of Significant Accounting Policies (continued)

New accounting standards and interpretations for application in future periods

AASB 16 'Leases'

Contracts that are leases within the scope of AASB 16 from the lessee's perspective require the recognition of a right-of-use (ROU) asset and a related lease liability, being the present value of future lease payments. This results in an increase in the recognised assets and liabilities in the Group's statement of financial position. The Consolidated Statement of Profit or Loss will include interest expense on the lease liability together with depreciation of the ROU asset.

The classification of leases where the Group is lessor remains unchanged under AASB 16.

As compared to AASB 117:

- 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.

Alternative methods of calculating the ROU asset are permitted under AASB 16 which impacts the size of the transition adjustment. The Group will apply the modified retrospective approach as permitted by AASB 16. Under the modified retrospective transition approach, prior period comparative financial statements are not restated, and the Group will measure the ROU asset for existing operating leases as if AASB 16 has been applied from commencement of the lease.

Based on the elected transition method, the Group will recognise lease liabilities of $49.4 million, ROU assets of $49.1 million and an adjustment to opening retained earnings of $0.3 million. Where a lease contract contains an option to extend the lease term, and the Group is reasonably certain that the option will be exercised, the right of use asset and lease liability are calculated based on the extended lease term.

Judgement has been applied by the Group in determining the transition adjustment which includes the determination of which contractual arrangements represent a lease, the period over which the lease exists, the incremental borrowing rate of the Group, and the variability of future cash flows for variable escalation rates on future lease payments. A schedule of current operating lease commitments is disclosed in Note 29.

Other new and revised Standards in issue but not yet effective

New accounting standards, amendments to standards and interpretations that are in issue but not yet effective for entities preparing financial statements for the year ended 30 June 2019 have not been adopted by the Group at the date of authorisation of these financial statements. The Group is in the process of assessing the impact of these standards.

- Interpretation 23 Uncertainty over Income Tax Treatments and AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments. The interpretation has an effective date for the Group of 1 July 2019.
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle. The amendments have an effective date for the Group of 1 July 2019.
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business. The amendments have an effective date for the Group of 1 July 2020.

Note 3. Revenue and Other Income

Revenue is recognised at a point in time. Refer to Note 2 for the details regarding the revenue recognition policy following the adoption of AASB 15 in the current year.

	Note	2019 $'000	2018 $'000
Revenue		**395,739**	**300,203**
Other income			
Equipment rental – related company	33	-	1,150
Equipment rental – other		4,134	1,900
Net gain on sale of property, plant & equipment		102	418
Interest income (i)	24	1,946	86
Other income		237	87
Total other income		**6,419**	**3,641**
Total revenue and other income		**402,158**	**303,844**

(i) Interest income in the prior year was reclassified as Other Income (previously net finance costs).

The table below provides a disaggregation of segment revenues from contracts with customers (refer also to Note 5).

Disaggregated segment revenue Including eliminations	2019 $'000	2018 $'000
Collections	213,480	176,838
Post Collections	166,997	109,059
Other	15,262	14,306
	395,739	**300,203**

Note 4. Expenses

Profit before income tax includes the following specific expenses:

	Note	2019 $'000	2018 $'000
Bad debt expenses	9,10	66	517
Post-employment benefits		5,243	3,960
Equity settled share-based payments		1,206	477
Other employee benefits		90,040	71,727
Total employee benefits expense		96,489	76,164
Depreciation	13	26,596	17,667
Customer relationship amortisation	14	4,875	3,663
Landfill void amortisation	14	2,834	-
Software amortisation	14	1,032	545
Other assets amortisation		73	-
Brand amortisation	14	417	-
Depreciation and amortisation		35,827	21,875
Rent and outgoings – Related parties	33	1,114	189
Rent and outgoings – Other		2,148	1,904
Total rent and outgoings		3,262	2,093
Performance contract amortisation		283	283
Minimum lease payments		3,059	1,699

Note 5. 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 – includes landfill and 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 acquisition and integration costs.

Assets, liabilities and taxes are not disclosed and are only reported on a group basis. The Group only operates in Australia. No single customer contributed 2% or more to the Group's revenue for either 2019 or 2018.

2019	Collections $'000	Post Collections $'000	Other $'000	Eliminations(ii) $'000	Total $'000
Revenue					
Sales	213,480	239,655	28,853	(86,249)	395,739
Other income	-	4,134	2,285	-	6,419
Total revenue and other income	**213,480**	**243,789**	**31,138**	**(86,249)**	**402,158**
EBITDA (i) (iii)	38,381	67,220	(33,169)(iv)	-	72,432
Depreciation and amortisation expenses					(35,827)
Capital raising costs					(683)
Performance contract amortisation					(282)
Net finance costs					(4,845)
Profit before income tax					30,795
Income tax expense					(8,530)
Profit after tax					**22,265**

(i) EBITDA represents earnings before interest, income tax, and depreciation, amortisation and impairments.
(ii) Eliminations relate to Post Collections sales ($72.7 million) and Other sales ($13.6 million).
(iii) EBITDA for the Group excludes certain Capital raising costs ($0.7 million) and Performance contract amortisation ($0.3 million).
(iv) EBITDA for Other segment includes $22.3 million incurred on acquisition costs reflecting fees paid to advisors, stamp duty, and other acquisition related costs reflecting travel and employee costs. It also includes Integration costs of $11.4 million to integrate businesses acquired, or being acquired, into the Group.

Note 5. Segment Reporting (continued)

2018	Collections $'000	Post Collections $'000	Other $'000	Eliminations(i) $'000	Total $'000
Revenue					
Sales	176,838	170,659	26,051	(73,345)	300,203
Other income	13	1,915	1,713	-	3,641
Total revenue and other income	**176,851**	**172,574**	**27,764**	**(73,345)**	**303,844**
EBITDA (ii)	41,634	48,749	(5,473)(iii)	-	84,910
Depreciation and amortisation expenses					(21,875)
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) Eliminations relate to Post Collections sales ($61.6 million) and Other sales ($11.7 million).
(ii) EBITDA for the Group excludes certain Capital raising costs ($0.8 million) and Performance contract amortisation ($0.3 million).
(iii) EBITDA for Other segment includes $2.3 million incurred on acquisition costs reflecting fees paid to advisors as well as other acquisition related costs reflecting travel and employee costs. It also includes Integration costs of $6.5 million to integrate businesses acquired, or being acquired, into the Group.

Note 6. Taxation

Income tax expense represents the sum of the tax currently payable net of deferred tax movements.

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.

When a component of goodwill is subsequently allocated to a business or asset held for sale, deferred tax assets associated with the goodwill allocated are assessed for recoverability. Where it is determined recoverability of a deferred tax asset not previously brought to account is probable, a deferred tax asset will be recognised through profit and loss in the current year.

Note 6. Taxation (continued)

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 22. This includes entities joining the income tax consolidation group as a result of the acquisition of DADI and associated entities during the year. The relevant deferred tax asset and liability balances were transferred into the Group at acquisition.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6. Taxation (continued)

	2019 $'000	2018 $'000
a) *Income tax recognised in profit or loss*		
Current tax		
In respect of current year	17,658	17,871
Adjustment related to prior year	49	(274)
R&D offset	-	(410)
Acquired tax expense	-	(197)
Deferred tax		
In respect of current year (ii)	(9,177)	233
Total tax expense	**8,530**	**17,223**
Income Tax expense reconciliation		
Profit before income tax	30,795	55,226
Income tax expense calculated at 30%	9,239	16,568
Increase\(decrease) in income tax expense due to:		
Non-deductible expenses	6,757	929
Deferred tax asset not previously recognised (i)	(7,530)	-
Overprovision in prior year	(49)	(274)
Other adjustments	113	-
Income Tax expense recognised in the profit or loss	**8,530**	**17,223**
b) *Deferred Income Tax*		
Deferred income tax in the consolidated statement of financial position relates to the following:		
Deferred tax assets		
IPO and capital raising costs	3,825	2,993
Acquired blackhole deductions	2,512	-
Assets held for sale	7,530	-
Employee provisions	1,759	1,141
Provision and accruals	9,036	1,846
Borrowing costs	-	47
	24,662	**6,027**
Deferred tax liabilities		
Customer relationships and brands	(8,663)	(4,134)
Performance contract	(42)	(128)
Deferred income	(900)	(758)
Plant and equipment	(741)	(510)
Landfill void	(39,969)	-
Assets held for sale	(199)	-
	(50,514)	**(5,530)**
Net deferred tax (liabilities)/assets	**(25,852)**	**497**
c) *Income tax liability*		
Income tax payable	**6,391**	**10,591**
d) *Income tax recognised directly in equity*		
Current tax		
Share issue costs	-	204
	-	204
Deferred tax		
Arising on transactions with owners:		
Share issue expenses deductible over five years	2,202	815
Total income tax recognised directly in equity	**2,202**	**1,019**

(i) Relates to assets reclassified as held for sale during the year and the associated deferred tax assets on capital account not previously recognised.
(ii) Movement in deferred tax asset / (liabilities) during the year were recognised in profit and loss and in goodwill on acquisition.

Note 7. Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

Dilutive potential ordinary shares are limited to performance rights issued under the Group's long-term and short-term incentive plans. Refer to Note 32 for details. The dilutive effect of the performance rights on the basic earnings per share reported below is minimal.

		2019	2018
Basic earnings per share (cents)		3.9	9.8
Diluted earnings per share (cents)		3.9	9.8
Profit for the year attributable to owners of the Company	$'000	22,265	38,003
Weighted average number of ordinary shares used in the calculation of:			
• Basic earnings per share	No. of shares	573,611,670	386,060,204
• Diluted earnings per share	No. of shares	576,187,110	387,741,358
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 (i)	No. of shares	573,611,670	386,060,204
Adjustments for calculation of diluted earnings per share:			
- Weighted average number of dilutive options and rights	No. of shares	2,575,440	1,681,154
• Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	No. of shares	576,187,110	387,741,358

(i) The basic EPS denominator is the aggregate of the weighted average number of shares after deduction of shares permanently cancelled through the on-market share buy-back during the period.

Note 8. 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.

	2019 $'000	2018 $'000
Cash at bank	39,189	21,443
(a) Total Cash and Cash Equivalents	**39,189**	**21,443**

	2019 $'000	2018 $'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	22,265	38,003
Non-operating cash flows in profit		
• Depreciation and amortisation	35,827	21,875
• Profit on sale of property, plant and equipment	(102)	(418)
• Performance consideration amortisation	282	283
• Net finance costs	4,845	6,713
• Capital raising costs expensed to the statement of profit or loss	683	813
Changes in assets and liabilities:		
• decrease/(increase) in trade and other debtors	4,765	(7,920)
• decrease/(increase) in other assets	4,163	(4,228)
• (increase) in inventories	(1,957)	(2,611)
• increase in trade and other creditors	15,860	6,138
• (decrease)/increase in income taxes	(13,586)	10,013
• increase in provisions	1,964	939
Net cash provided by operating activities	**75,009**	**69,600**

(c) Non-cash transactions

During the current year, in conjunction with the DADI acquisition, the Group acquired $18,729 property, plant and equipment under finance lease (2018: $Nil).

Note 9. 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 loss allowance.

Trade receivables are usually settled in 30 days. No interest is charged on outstanding trade receivables. Before providing credit to a new customer, the Group requires a completed credit application, defines a credit limit and conducts a credit worthiness check.

Debts which are known to be uncollectable are written off. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

There is no customer who represents more than 2% (2018: 3%) of the total balance of trade and other receivables.

The Group has recognised a loss allowance for lifetime expected credit losses (ECL). The ECL is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at reporting date.

When the Group considers an exposure to be credit impaired it is individually assessed and a specific provision raised. This includes, but is not limited to, instances where the counterparty is in external receivership or liquidation.

Trade receivables - days past due	Expected Loss rate	Trade Receivables	Loans to related parties(i)	Loss Allowance	Total Trade and other Receivables
		$'000	$'000	$'000	$'000
2019					
Current	0.25%	57,224	81	(143)	57,162
30 - 60	1.00%	8,448	-	(84)	8,364
60 - 90	1.50%	2,416	-	(36)	2,380
90 +	2.00%	438	-	(9)	429
Individually assessed		4,094	-	(1,112)	2,982
		72,620	**81**	**(1,384)**	**71,317**
2018 – restated (ii)					
Current	0.25%	39,154	177	(98)	39,233
30 - 60	1.00%	4,883		(49)	4,834
60 - 90	1.50%	273		(4)	269
90 +	2.00%	-		-	-
Individually assessed		3,571		(1,236)	2,335
		47,881	**177**	**(1,387)**	**46,671**

(i) Related party receivables pertain to trade debtors arising from waste management services provided on normal commercial terms. These balances are receivable from entities related to one of the directors.
(ii) Prior year comparatives have not been restated to reflect AASB 9 as the Group has applied the simplified approach, however, for comparative purposes the above table has been provided as restated.

The movement in the loss allowance on trade debtors and other receivables during the year was as follows:

	2019	2018
	$'000	$'000
Opening Balance	1,045	309
Change on initial application of AASB 9	342	-
Opening Balance - restated	**1,387**	**309**
Provisions acquired through business combinations	-	309
Provisions recognised	57	517
Amounts written off, previously provided for	(60)	(90)
Closing balance	**1,384**	**1,045**

Note 10. Contract Assets

Amounts relating to contract assets are balances due from customers in relation to bins which have been delivered but which have not yet been collected and therefore the performance obligation is yet to be fulfilled. Contract assets are reclassified to trade receivables at the time at which the bins are collected and the performance obligation is fulfilled.

The Group measures the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the same principles and methodology applied to trade debtors. None of the amounts due from customers at the end of the reporting period are past due.

The following table details the risk profile of amounts due from customers based on the Group's provision matrix. In the prior year, contract assets were included within trade and other receivables.

	2019 $'000
Expected credit loss rate	0.25%
Estimated gross carrying amount at default	3,595
Lifetime ECL	(9)
Net carrying amount	**3,586**

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. Raw materials relate to inventory items that are used in the manufacture of bins.

	2019 $'000	2018 $'000
Consumable products	991	699
Raw materials	6,542	4,603
Stock in transit	19	293
Total inventories	**7,552**	**5,595**

Note 12. Other Assets

	2019 $'000	2018 $'000
Performance consideration (i)	142	425
Deposits paid (ii)	3,175	6,871
Prepayments	1,749	423
Other (iii)	7,402	4,238
Total other assets	**12,468**	**11,957**

(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 security deposits of $1.6 million, deposits on plant and equipment of $0.5 million (2018: $5.2 million), land option payment of $0.4 million (2018: $0.3m) and other items of $0.7 million (2018: $1.7 million).

(iii) Other includes $3.8 million for costs associated with Kembla Grange rectification works and is expected to be fully recoverable from the Group's insurers (2018: $3.3 million). Also included is a prepaid contribution for infrastructure ($3.2 million) and other items ($0.2 million).

Note 13. Property, Plant & Equipment

Property, plant and equipment are measured on the cost basis and are carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised 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
Non-landfill buildings	2.5%
Plant and equipment	10% - 50%
Trucks and machinery	10% - 33.3%
Leasehold improvements	8% - 25%

In the current year, total land and buildings have been separated into landfill assets and non-landfill land and buildings. For prior period comparatives, the sum of non-landfill land and buildings and landfill assets equates to the previously reported total land and buildings.

Non-landfill 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 de-recognised.

Landfill Assets

Landfill assets comprise:

- landfill land;
- site infrastructure and landfill site improvement costs;
- cell development costs; and,
- the asset related to future landfill site restoration and monitoring.

Landfill land will be recognised separately from other landfill related assets when it is considered to have value at the end of the landfill site's useful life for development. This land is not depreciated; it is carried at its original cost and tested for impairment.

Site infrastructure and landfill site improvement costs include capital works such as site access roads and other capital costs relating to multiple cells on the landfill site. These costs are capitalised as incurred and depreciated using the useful life of the asset or the life of the landfill up until reaching capacity.

Cell development costs include excavation costs, cell lining costs and leachate collection costs. Cell development costs are capitalised as incurred.

The landfill remediation assets comprise capping costs and costs to remediate and monitor the site over the life of the landfill including post closure. Capping costs together with cost of aftercare (see Provision for landfill remediation in Note 17) are recognised over time commencing when the site first accepts waste.

The depreciation, for cell development costs and the remediation asset, is calculated by the tonnes of landfill capacity utilised during the reporting period divided by the total landfill capacity at the beginning of the reporting period, such that all costs are completely depreciated when full capacity is reached, and it cannot legally accept any more waste.

Note 13. Property, Plant & Equipment (continued)

	2019 $'000	2018 $'000
Non-landfill land and buildings at cost	274,677	122,467
Non-landfill buildings accumulated depreciation	(2,640)	(994)
Non-landfill land and buildings net	**272,037**	**121,473**
Landfill assets at cost	51,300	-
Landfill assets accumulated depreciation	-	-
Landfill assets net	**51,300**	**-**
Leasehold improvements at cost	22,430	4,381
Leasehold improvements accumulated depreciation	(829)	(374)
Lease improvements net	**21,601**	**4,007**
Plant and equipment at cost	147,033	95,934
Plant and equipment accumulated depreciation	(36,568)	(22,752)
Plant and equipment net	**110,465**	**73,182**
Trucks and machinery at cost	74,741	53,294
Trucks and machinery accumulated depreciation	(17,816)	(12,293)
Trucks and machinery net	**56,925**	**41,001**
Work in progress net (i) (ii)	**166,839**	**125,043**
Total property plant & equipment	**679,167**	**364,706**

(i) Includes the acquisition of land at Patons Lane ("Patons Lane"), which was purchased 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 2019 was $136.2 million, which includes capitalised costs to date (2018: $97.3 million) for construction works completed subsequent to year-end. The site commenced its recycling operations in July 2019.

(ii) As at 30 June 2019 the Group had paid a deposit of EUR 0.89 million ($1.4 million) and a stage payment of EUR 1.78 million ($2.8 million) for certain plant and equipment under construction. Further stage payments, and completion and installation are expected in FY20. A final retention payment is expected in FY21. Further contractual stage payments are included in the summary of the Group's commitments in Note 29.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Property, Plant & Equipment (continued)

	Non-landfill land and buildings at cost $'000	Landfill assets at cost $'000	Lease improve-ments at cost $'000	Plant and equipment at cost $'000	Trucks and machinery at cost $'000	Work in progress at cost(ii) $'000	Total $'000
Cost							
Balance at 1 July 2017	101,843	-	1,381	64,647	42,440	-	210,311
Additions	8,413	-	3,051	29,127	9,590	125,043	175,224
Transfer from Leasehold Improvements (i)	-	-	-	-	-	-	-
Disposals	-	-	(51)	(3,352)	(5,757)	-	(9,160)
Acquisitions	16,897	-	-	5,512	7,021	-	29,430
Reclassification to Asset held for sale	(4,686)	-	-	-	-	-	(4,686)
Balance as at 30 June 2018	**122,467**	**-**	**4,381**	**95,934**	**53,294**	**125,043**	**401,119**
Balance at 1 July 2018	122,467	-	4,381	95,934	53,294	125,043	401,119
Additions	34,121	-	689	27,928	19,724	100,486	182,948
Transfer from Work in progress	27,136	-	18,814	12,928	-	(58,878)	-
Transfer from Leasehold Improvements (i)	1,329	-	(1,397)	68	-	-	-
Disposals	-	-	(57)	(2,664)	(3,003)	-	(5,724)
Acquisition through business combinations	100,743	51,300	-	15,774	4,726	188	172,731
Reclassification from Asset held for sale (iii)	4,674	-	-	-	-	-	4,674
Reclassification to Asset held for sale (iv)	(15,793)	-	-	(2,935)	-	-	(18,728)
Balance as at 30 June 2019	**274,677**	**51,300**	**22,430**	**147,033**	**74,741**	**166,839**	**737,020**

	Non-landfill buildings at cost $'000	Landfill assets at cost $'000	Lease improve-ments at cost $'000	Plant and equipment at cost $'000	Trucks and machinery at cost $'000	Work in progress at cost $'000	Total $'000
Accumulated depreciation							
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 of Asset held for sale (iii)	(12)	-	-	-	-	-	(12)
Balance as at 30 June 2018	**994**	**-**	**374**	**22,752**	**12,293**	**-**	**36,413**
Balance at 1 July 2018	994	-	374	22,752	12,293	-	36,413
Depreciation expense	2,175	-	645	16,499	7,277	-	26,596
Write back on disposal	-	-	(190)	(1,379)	(1,754)	-	(3,323)
Reclassification of Asset held for sale (iv)	(529)	-	-	(1,304)	-	-	(1,833)
Balance as at 30 June 2019	**2,640**	**-**	**829**	**36,568**	**17,816**	**-**	**57,853**
Net book value at 30 June 2018	**121,473**	**-**	**4,007**	**73,182**	**41,001**	**125,043**	**364,706**
Net book value at 30 June 2019	**272,037**	**51,300**	**21,601**	**110,465**	**56,925**	**166,839**	**679,167**

Note 13. Property, Plant & Equipment (continued)

(i) Following the acquisition of the properties any leasehold improvements to such properties have been reclassified to either Land and Buildings or Plant and Equipment.
(ii) Includes Patons Lane and other works under construction. As at 30 June 2019, $1.2 million had been capitalised in relation to the implicit interest on the deferred payment purchase structure of the Patons Lane qualifying asset.
(iii) Helensburgh assets are no longer treated as held for sale.
(iv) Banksmeadow land and buildings have been classified as assets held for sale (refer to Note 19).

The property, plant and equipment have been pledged to secure the borrowings of the Group (see Note 23).

As detailed below, the Group has entered into, and exercised, several Option agreements during the year.

(a) Options exercised over IPO Properties

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. During the year the remaining of these Options were exercised.

Deed of Put and Call Option – Smithfield Premises

During the period, the call option for the Smithfield Premises was exercised by the Group. The purchase price of this property under the option was $2,400,000.

Deed of Call Option – Tomago Premises

During the period, the call option for the Tomago Premises was exercised by the Group. The purchase price of this property under the option was $730,000.

(b) Options exercised over other properties

Other properties under option that have been exercised during the year are detailed below.

Deed of Put and Call Option – Revesby Premises

During the period, the call option for the Revesby Premises was exercised by the Group. The purchase price for the property under the option was $17,000,000.

(c) Options entered into over Eastern Creek Expansionary Land

As part of the sale and purchase agreement for the acquisition of DADI, the Group contemporaneously entered into various put and call options over several parcels of land adjacent to the Eastern Creek landfill site (“Expansionary Land”). The Group paid no consideration for either the parcels of land or options over the land, nor has any existing enforceable obligation to pay for the land.

The Expansionary Land is currently in the process of subdivision into three individual lots and is subject to a Project Deed. Should the subdivision of the Expansionary Land complete, from the Group’s perspective three categories of land will result; Sale Land; Residual Land and Option Land. Currently, sale agreements are in place for the Sale Land and Residual land which would execute on completion of the subdivision with third parties. The Group is required to pass on all proceeds of these sales to the pre-acquisition DADI shareholders.

In relation to the Option land, not currently party to a sale agreement, being 27 hectares at Eastern Creek. The Group has a two year put option to put the land to a related party of the director related entity from which the Group purchased DADI. Should the Group not elect to put the land back to the vendors, the Group will be required to pay additional purchase consideration for that land of $98 million, which approximates the land’s fair value.

Should the terms of the Project Deed not be met and the land is not subdivided, a call over all Expansionary Land can be exercised enabling the vendor, a director related entity, to obtain all parcels of Expansionary Land for nil consideration under the option.
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Note 13. Property, Plant & Equipment (continued)

(d) Other Options entered into

Call Option – Alexandria Premises

As part of the acquisition of DADI, the Group entered into 5-year call options with a director related party for the purchase of two parcels of land in Alexandria. The Group currently leases these premises under 4.5-year leases, with four further 4.5-year options to renew from the director related entity. Market rent is currently paid on the premises and a nominal fee of $10 each was paid to secure the call options. If exercised within the next 5 years, the Group may acquire the parcels of land in Alexandria for at least $63.6 million, escalating annually at 4% per annum and compounding monthly. The purchase price in years 3, 4 and 5 is the greater of the market price and the indexed amount.

(e) Options retained

The terms of options over properties that are still in place are summarised below.

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.

Deed of Call Option – Minto Premises

The Group is party to a deed of option with an unrelated third party (grantor) dated 26 April 2017 and amended on 28 November 2018.

Under this deed, the grantor grants the Group a call option to acquire the Minto Premises. The call option may be exercised in the period from 1 July 2019 to 22 July 2019.

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

This option was exercised subsequent to the end of the reporting period in July 2019. The purchase price under the option was $4,250,000. The call option fee of $100,000 has been treated as a deposit against the purchase price.

Note 14. Intangible Assets

Intangibles relate to goodwill arising from the acquisition of the subsidiaries. Other intangible assets relate to acquisition of assets such as customer contracts, software, certain brands and trademarks, and landfill voids. Intangible assets acquired as part of the DADI acquisition have been provisionally accounted for at year end as third party valuations are not yet final.

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.

When an asset is reclassified as held for sale, a component of the relevant cash generating unit goodwill is allocated to the disposal group as at the date of initial reclassification.

Landfill Void

The landfill void is measured at fair value on acquisition using a discounted cashflow method and depreciated over its useful life.

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, with the exception of collections customer contracts acquired as part of the DADI acquisition, which are amortised over 12 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 over 5 years. 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.

Brands

The Group measures intangible assets that have a finite useful life at cost less accumulated amortisation and accumulated impairment losses. The DADI brand has been amortised on a straight-line basis over its estimated useful life of 2 years.

Note 14. Intangible Assets (continued)

Other intangibles

Other intangibles include patents and trademarks. These have an indefinite useful life and are stated at cost.

	2019 $'000	2018 $'000
Goodwill	328,398	105,423
Landfill void	133,228	-
Customer relationships	26,791	13,778
Patents and Trademarks	84	80
Software	6,892	2,589
Brands	2,083	-
Total intangibles	**497,476**	**121,870**

	Note	Goodwill $'000	Landfill Void $'000	Customer relationships $'000	Patents and Trademarks $'000	Software $'000	Brands $'000	Total $'000
Balance 1 July 2017		44,317	-	8,475	80	1,325	-	54,197
Acquisition of businesses		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**
Balance 1 July 2018		105,423	-	13,778	80	2,589	-	121,870
Acquisition of businesses	18	230,475	136,062	18,553	-	110	2,500	387,700
Additions		-	-	-	4	5,225	-	5,229
Reclassification to assets held for sale	19	(7,500)	-	(665)	-	-	-	(8,165)
Amortisation		-	(2,834)	(4,875)	-	(1,032)	(417)	(9,158)
Balance 30 June 2019		**328,398**	**133,228**	**26,791**	**84**	**6,892**	**2,083**	**497,476**
Consists of:								
Costs		328,398	136,062	37,684	84	8,941	2,500	513,669
Accumulated amortisation		-	(2,834)	(10,893)	-	(2,049)	(417)	(16,193)
Balance 30 June 2019		**328,398**	**133,228**	**26,791**	**84**	**6,892**	**2,083**	**497,476**

Note 14. Intangible Assets (continued)

Allocation of intangible assets

	Collections $'000	Post Collections $'000	Other $'000	Corporate $'000	Total $'000
2019					
Goodwill	133,061	192,221	3,116	-	328,398
Landfill Void	-	133,228	-	-	133,228
Customer relationships	8,946	17,752	93	-	26,791
Patents and Trademarks	-	-	-	84	84
Software	-	-	-	6,892	6,892
Brands	2,083	-	-	-	2,083
	144,090	343,201	3,209	6,976	497,476
2018					
Goodwill	63,150	39,158	3,115	-	105,423
Customer relationships	7,874	5,641	263	-	13,778
Patents and Trademarks	-	-	-	80	80
Software	-	-	-	2,589	2,589
	71,024	44,799	3,378	2,669	121,870

The carrying amount of goodwill is allocated to cash generating units as follows:

Goodwill	Collections $'000	Post Collections $'000	Other $'000	Corporate $'000	Total $'000
2019					
NSW	105,451	179,328	3,116	-	287,895
VIC	27,610	12,893	-	-	40,503
	133,061	192,221	3,116	-	328,398

Goodwill	Collections $'000	Post Collections $'000	Other $'000	Corporate $'000	Total $'000
2018					
NSW	37,360	26,576	3,115	-	67,051
VIC	25,790	12,582	-	-	38,372
	63,150	39,158	3,115	-	105,423

Note 14. Intangible Assets (continued)

Impairment of assets

Goodwill has been allocated for impairment testing purposes to the following cash generating units:

- Collections – NSW
- Collections – VIC
- Post Collections – NSW
- Post Collections – VIC
- 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 9.0% per annum (2018: 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 extrapolated using a steady 2.5% per annum growth rate (2018: 2.5%), other than those cashflows associated with landfill assets. Cashflows from the landfill assets are limited to the remaining capacity of the site. 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 15. Trade 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.

	2019 $'000	2018 $'000
Current		
Trade creditors	37,329	27,240
Other creditors and accruals (iv)	77,190	18,366
Deferred settlement (i)(ii)	30,635	29,532
Related party payables (iii)	520	-
Total trade and other payables	**145,674**	**75,138**
Non-current		
Deferred settlement (i)	-	28,899
Other payables	**-**	**28,899**

(i) 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. The second payment of $30 million was made in December 2018. As the remaining third payment is due in July 2019, it has been reclassified as a current liability. The amount recognised as a current liability ($29.997 million) is measured as the present value of the expected future payment.
(ii) An amount of $637,500 in deferred consideration is outstanding as at 30 June 2019 with respect to the acquisition of Cozee's Bins in January 2019.
(iii) Includes amounts outstanding to related parties for rent, media and advertising and reimbursement of business expenses.
(iv) Includes an estimated stamp duty accrual relating to the DADI acquisition of $24.99 million.

Note 16. Contract Liabilities

Contract Liabilities arise when bins have been delivered to customer sites and have not been collected as the performance obligation is to yet to be fulfilled. The value is reported net of the cost to collect. The Group expects to recognise revenue held in contract liabilities within 30 days.

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

	2019 $'000	2018 $'000
Current		
Contract liabilities(i)	3,056	2,534
Total Contract Liabilities	**3,056**	**2,534**

(i) In the prior year, contract liabilities were disclosed as deferred revenue under Trade and Other Payables.

Note 17. 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.

	2019 $'000	2018 $'000
Current		
Annual leave	4,284	2,732
Long service leave	727	376
Total provisions (Current)	**5,011**	**3,108**
Non-Current		
Long service leave	853	695
Make good provision	134	-
Remediation provision	9,000	-
Total provisions (Non-Current)	**9,987**	**695**

Note 17. Provisions (continued)

Make Good Provision

Make good provisions in relation to the Group's leased properties are reviewed periodically and updated based on facts and circumstances known at the time, applying certain assumptions about the risk rating related to the relevant site. Changes in estimates related to removing structures on leased sites are recognised in the Consolidated Statement of Financial Position by adjusting the leasehold improvement asset and the make good provision.

	2019 $'000	2018 $'000
Make good provision		
Opening Balance	-	-
Provisions recognised	134	-
Closing balance	**134**	**-**

Rectification and Remediation provision

Landfill Remediation

Landfill sites are operated under a licence issued by the Environmental Protection Authority (EPA) which generally requires that once a landfill site is full, it is left in a condition specified by the EPA and is monitored for a defined period of time after closure.

Remediation occurs on an ongoing basis, as the landfill is operating, at the time the landfill closes and through post-closure. It comprises the costs associated with capping landfills (covering the waste within the landfill) and remediating and monitoring the landfill in accordance with the licence or environmental requirements.

Landfill remediation costs are provided for when operations commence and at the same time a landfill remediation asset is recognised. This reflects the present obligation to remediate the landfill sites once the site begins operating. The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time and is recognised in provisions in the Consolidated Balance Sheet.

The annual change in the net present value of the provision due to the passage of time is recognised in the Consolidated Statement of Profit or Loss as a time value adjustment in finance costs. Due to the long-term nature of remediation obligations, changes in estimates occur over time. Any change in the provision for future landfill site restoration and aftercare costs arising from a change in estimate of those costs and related to landfill sites which are still accepting waste, is recognised as an addition or reduction to the remediation asset in the Consolidated Balance Sheet. Changes to the remediation provision once the site is filled are expensed to the Consolidated Statement of Profit or Loss.

Landfill Rectification

Where, as a result of operating and utilising the landfill, the Group has an obligation to bring the asset back to the normal operating standard required under the licence and EPA or council requirements at the end of the reporting period, a provision for rectification is recognised. The amount of the provision is determined based on the net present value of the amount the group expects to pay to rectify the site. All rectification costs are expensed to the Consolidated Statement of Profit or Loss. To enable the estimation of future costs the Group engaged the services of third-party environmental engineers to assist with calculations. Calculations assume a 16-year operational life of the landfill site. There was no rectification provision as at 30 June 2018 as the Group was not operating landfill operations in the prior year.

	2019 $'000	2018 $'000
Remediation provision		
Opening Balance	-	-
Provisions recognised	9,000	-
Closing balance	**9,000**	**-**

Note 18. 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.

2019					
Date of Acquisition	**Business Segment**	**Cash consideration(iii)**	**Shares issued**	**Deferred consideration**	**Total consideration**
		$'000	**$'000**	**$'000**	**$'000**
February 2019 (i)	Collections\Post Collections	6,334	-	850	7,184
March 2019 (ii)	Collections\Post Collections	375,913	127,953	-	503,866
		382,247	**127,953**	**850**	**511,050**

(i) Cozee's Bins acquisition. This involved the acquisition of the assets and operations only. The acquisition of Cozee's Bins expanded our operations footprint in VIC.
(ii) Dial-A-Dump acquisition. Alexandria Landfill Pty Ltd is the parent entity of the DADI group which includes Dial A Dump Industries Pty Ltd, Dial-A-Dump (EC) Pty Ltd and IRM Property No2 Pty Ltd. The acquisition of DADI significantly expanded the Group's post-collections operations footprint including landfill disposal in NSW.
(iii) Cash consideration paid during the year as reflected on the Consolidated Statement of Cash Flows = Cash consideration per above table ($382.2 million) less cash balances acquired on acquisition ($1.8 million) – net stamp duty payable after 30 June 2019 ($10.2 million) + Deferred consideration paid prior to 30 June 2019 ($0.2 million).

The fair values of the assets and liabilities acquired above during February and March 2019 are provisional values and are pending final valuations and revised final attributable cost allocation calculation for income tax purposes. On completion of the final valuations the balances for the acquisition may be revised in accordance with applicable Australian Accounting Standards. Adjustments may be required to the provisional values.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. 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 during the year

Provisional values	Dial-A-Dump			Cozee's Bins			Consolidated
2019	Collections	Post Collections	Total	Collections	Post Collections	Total	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets							
Cash	176	1,672	1,848	-	-	-	1,848
Debtors and other assets (i)	4,070	34,485	38,555	-	-	-	38,555
Land & Buildings	4,934	91,475	96,409	-	4,334	4,334	100,743
Landfill Assets	-	51,300	51,300	-	-	-	51,300
Plant & Equipment	2,721	12,946	15,667	53	54	107	15,774
Trucks and Machinery	743	3,582	4,325	401	-	401	4,726
Work in Progress	-	188	188	-	-	-	188
Landfill void	-	136,062	136,062	-	-	-	136,062
Software	19	91	110	-	-	-	110
Customer relationships	14,711	3,075	17,786	679	88	767	18,553
Brands	2,500	-	2,500	-	-	-	2,500
Liabilities							
Trade and other payables	(3,682)	(35,072)	(38,754)	-	-	-	(38,754)
Provision for rectification	-	(9,000)	(9,000)	-	-	-	(9,000)
Employee entitlements	(338)	(3,216)	(3,554)	-	-	-	(3,554)
Deferred tax liability	(3,563)	(33,935)	(37,498)	(204)	(26)	(230)	(37,728)
Lease Liability	(2)	(17)	(19)	-	-	-	(19)
Total net identifiable assets	22,289	253,636	275,925	929	4,450	5,379	281,304
Goodwill	67,717	160,224	227,941	1,597	208	1,805	229,746
Consideration transferred	**90,006**	**413,860**	**503,866**	**2,526**	**4,658**	**7,184**	**511,050**

(i) Gross receivables amount to $42,277,000 and an ECL allowance of $3,722,000 has been derived and offset against the gross amount to determine the fair value of receivables. The fair value approximates the best estimate of anticipated cash flows to be collected.

Total purchase consideration	Dial-A-Dump	Cozee's Bins
	$'000	$'000
Cash	375,913	6,334
Non-cash consideration (i)	127,953	-
Deferred consideration	-	850
	503,866	**7,184**

(i) 78,740,154 shares were issued. Refer to Note 26 for more details.

Note 18. Business Combinations (continued)

Net cash flow on acquisition	Dial-A-Dump $'000	Cozee's Bins $'000
Net cash acquired (included in cash flows from investing activities)	(1,848)	-
Cash Consideration paid (included in cash flows from investing activities)	365,698	6,334
Contingent consideration paid (included in cash flows from investing activities)	-	212
Transaction costs of the acquisition (included in cash flows from operating activities)	(7,394)	(66)
	356,456	**6,480**

Reconciliation of National Recycling Group fair values that were finalised during the period

At 30 June 2018, the fair values of the assets and liabilities acquired as part of the acquisition of the National Recycling Group (NRG) during January 2018 were provisional values. The fair values were finalised at 31 December 2018 in a restatement of the previously disclosed provisional values. A reconciliation of these changes is included in the table below.

National Recycling Group (i)	Provisional values at 30 June 2018			Finalised values at 31 December 2018			Change
	Collections	Post Collections	Total	Collections	Post Collections	Total	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets							
Cash	(8)	-	(8)	(8)	-	(8)	-
Debtors	4,229	938	5,167	3,452	766	4,218	(949)
Plant and Equipment	2,510	557	3,067	2,510	557	3,067	-
Land and Buildings	10,883	2,414	13,297	10,883	2,414	13,297	-
Customer relationships	2,641	586	3,227	2,641	586	3,227	-
Liabilities							
Trade and other payables	(4,554)	(1,011)	(5,565)	(4,818)	(1,069)	(5,887)	(322)
Employee entitlements	(918)	(204)	(1,122)	(475)	(105)	(580)	542
Deferred tax liability	(948)	(210)	(1,158)	(948)	(210)	(1,158)	-
Total Net identifiable assets	13,835	3,070	16,905	13,237	2,939	16,176	(729)
Goodwill	27,268	6,049	33,317	27,864	6,182	34,046	729
Consideration transferred	**41,103**	**9,119**	**50,222**	**41,101**	**9,121**	**50,222**	**-**

(i) At 30 June 2018, the fair values of the assets and liabilities acquired during January 2018 were provisional values. The fair values were finalised at 31 December 2018 in a restatement of the previously disclosed provisional values.

Total statutory acquisition costs of $21,156,000 have been expensed during the year ended 30 June 2019.

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.

Acquisition of DADI

During March 2019 the Group purchased 100% of the share capital in Alexandria Landfill Pty Limited, the holding company of DADI, comprising a combination of cash and issue of 78,740,154 shares.

Note 18. Business Combinations (continued)

The acquisition of DADI included Expansionary Land in Eastern Creek which is subject to a Project Deed that outlines its intended subdivision into three individual lots. In provisionally accounting for this acquisition, this Expansionary Land is not recognised by the Group as the Group has deemed not to have obtained control of the Expansionary Land. The Expansionary Land consists of Sale Land, Residual Land and Option Land (refer Note 13). Sale Land and Residual land are subject to sale agreements with third parties. In relation to the Option Land, the Group has the ability, but no obligation, to acquire the land at $98 million which approximates its fair value on or before 1 January 2021.

In addition, the Group entered into a 5-year call option over two parcels of land at Alexandria for $63.6 million over the next 5 years. Note 13 (d) contains details of the call option.

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 2019.

2019 Date of Acquisition	Business Segment	Revenue $'000	Profit $'000
February 2019 (i)	Collections\Post Collections	2,374	184
March 2019 (ii)	Collections\Post Collections	47,453	3,345
		49,827	**3,529**

(i) Cozee's Bins acquisition.
(ii) DADI acquisition.

Had these business combinations been affected at 1 July 2018, the revenue of the Group would have been $531.4 million, and the profit for the year would have been $30.4 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Business Combinations (continued)

Business combinations for the prior corresponding period

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

(i) Skipmaster acquisition.
(ii) Has-A-Bin acquisition.
(iii) Konstruct Environmental/AAZ Recycling/Resource Recovery VIC acquisitions.
(iv) National Recycling Group acquisition.

Fair values recognised on acquisition during the year ended 30 June 2018

2018	Provisional values(i) Collections $'000	Provisional values(i) Post Collections $'000	Provisional values(i) Total $'000	Finalised values(ii) Collections $'000	Finalised values(ii) Post Collections $'000	Finalised values(ii) Total $'000	Consolidated $'000
Assets							
Cash	(8)	-	(8)	170	-	170	162
Debtors	4,229	938	5,167	3,489	-	3,489	8,656
Plant & 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
Trademark	-	-	-	-	-	-	-
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)
Lease Liability	-	-	-	-	-	-	-
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) Refers to National Recycling Group acquired in January 2018.
(ii) Refers to Konstruct Environmental (October 2017), AAZ Recycling (October 2017), Resource Recovery Victoria (October 2017), Skipmaster (August 2017) and Has-A-Bin (September 2017) acquisitions.

Total statutory acquisition costs of $2,313,000 were expensed in 2018.

Note 19. Assets Held for Sale

Non-current assets, 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 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.

	2019 $'000	2018 $'000
Land and buildings [(i)]	15,264	4,674
Property, Plant & Equipment	1,631	-
Goodwill	7,500	-
Customer Relationships	665	-
	25,060	4,674
Less: Employee liabilities held for sale	(132)	-
Net Assets held for sale	**24,928**	**4,674**

(i) Land and buildings located at Helensburgh which were classified as Held for Sale at 30 June 2018 have been reclassified as land and buildings at 30 June 2019. The property no longer meets the accounting definition of held-for-sale due to the time to complete the sale extending beyond one year from the date of reclassification to held for sale. The Group does however remain committed to the on-going sale process of the Helensburgh assets.

Assets held for sale as at 30 June 2019 relate to the Banksmeadow business and property. A component of the Post Collections – NSW goodwill has been allocated to the disposal group as at the date of initial classification as held for sale. The Group is required to divest assets located at Banksmeadow as part of the undertaking to the Australian Competition and Consumer Commission (ACCC) in relation to the DADI acquisition. The Group anticipates that the fair value of the land and buildings less costs to sell will be greater than the carrying amount above.

Note 20. 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

	2019 $'000	2018 $'000
Profit after income tax [(i)]	18,315	7,119
Total comprehensive income	18,315	7,119
Statement of financial position		
Total current assets	13,152	214,868
Total non-current assets	788,423	46,604
Total assets	801,575	261,472
Total current liabilities	7,885	10,359
Total non-current liabilities	-	-
Total liabilities	7,885	10,359
Issued capital	1,288,923	748,137
Retained earnings	-	-
Reserves	(495,233)	(497,024)
Total equity	**793,690**	**251,113**

(i) Represents dividend income which was paid to the shareholders during the year. Refer to Note 28 for details.

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

	2019 $'000	2018 $'000
Guarantee provided under the deed of cross guarantee[(ii)]	501,348	287,131

(ii) Bingo Industries Limited entered into a deed of cross guarantee with 26 of its wholly owned subsidiaries in the year ended 30 June 2018. In the current year, the deed of cross guarantee has been extended to the 4 acquired DADI subsidiaries. (refer to Note 21 and Note 22 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 2019 (2018: 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 Consolidated Statement of Profit or Loss when the right to receive the dividend is established.

Note 21. Deed of Cross Guarantee

On 25 June 2019, Bingo Industries Limited entered into a new deed of cross guarantee. By entering into the deed, certain wholly-owned entities (refer to Note 22) 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 22. Interests in Subsidiaries

	Principal place of business	2019 %	2018 %
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	Australia	100	100
Bingo (VIC) Pty Ltd (iii)	Australia	100	100
Bingo Property (VIC) Pty Ltd (iii)	Australia	100	100
Bingo Patons Lane Pty Ltd as trustee for Bingo Patons Lane Unit Trust (iii)	Australia	100	100
Bingo Patons Lane Unit Trust	Australia	100	100
Greenacre Recycling Pty Ltd	Australia	100	100
Ingleburn Recycling Pty Ltd	Australia	100	100
Melbourne Recycling Centres Pty Limited (iii)	Australia	100	100
SRC Operations Pty Ltd (iii)	Australia	100	100
National Recycling Group Pty Ltd (iii)	Australia	100	100
DATS Environmental Services Pty Ltd (iii)	Australia	100	100
Truck & Plant Management Services Pty Ltd (iii)	Australia	100	100
Konstruct Environmental Pty Ltd (iii)	Australia	100	100
Bingo BM Holdings Pty Ltd (i)	Australia	100	-
BM Recycling Pty Ltd (i)	Australia	100	-
Dial-A-Dump (EC) Pty Ltd (ii)(iii)	Australia	100	-
Dial A Dump Industries Pty Ltd (ii)(iii)	Australia	100	-
Alexandria Landfill Pty Ltd (ii)(iii)	Australia	100	-
IRM Property No2 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 21 for further details).

All entities above are part of the tax consolidated group. Refer to Note 6 for further details.

Note 23. 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.

The banking facilities as at 30 June 2019 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.

	2019 $'000	2018 $'000
Current - secured		
Finance lease liabilities (i)	7	2,388
Total Borrowings (Current)	**7**	**2,388**
Non-current - secured		
Bank loan (ii)	315,000	158,000
Borrowing costs	(1,745)	(790)
Finance lease liabilities (i)	-	16,927
Total Borrowings (Non-Current)	**313,255**	**174,137**

(i) Prior year finance lease liabilities relate to Revesby and Smithfield properties under put and call options which were purchased during the year.

(ii) During the year, bank loans increased from $158.0 million as at 30 June 2018 to $315.0 million as at 30 June 2019. This was due to drawdowns of $333 million that were partially offset by repayments of $176 million during the year. Refer to the Consolidated Statement of Cash Flows for further details.

On 20 August 2018, the Group refinanced its principal debt facility, increasing the facility from $200 million to $400 million (plus an accordion facility of up to $100 million). 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. The Syndicated Facility is secured against the operations and assets of the Group. All covenants were complied with during the period.

Note 23. Borrowings (continued)

Facility	Maturity	2019 Facility $'000	2019 Utilised $'000	2018 Facility $'000	2018 Utilised $'000
Syndicated Facility - Term Loan	9-Jul-20	-	-	80,000	80,000
Syndicated Facility - Revolving multi-option	9-Jul-20	-	-	120,000	81,879
Syndicated Facility - Bullet revolving credit facility	31-Aug-21	375,000	315,000	-	-
Syndicated Facility - Multi-option working capital facility	31-Aug-21	25,000	7,199	-	-

As at 30 June 2019, $7,198,945 (2018: $3,879,405) 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.

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

	30-Jun-18	Cash	Non-cash			30-Jun-19
		Net Financing cash flows	Settlement of Finance lease liabilities	Deferred borrowing costs	Movement in Finance lease liabilities	
	$'000	$'000	$'000	$'000	$'000	$'000
Total Borrowings (Current)	2,388	-	(2,442)	-	61	7
Total Borrowings (Non-current)	174,137	157,000	(17,308)	(955)	381	313,255
Total liabilities from financing activities	**176,525**	**157,000**	**(19,750)**	**(955)**	**442**	**313,262**

Note 24. 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.

Interest income is recognised in the Consolidated Statement of Profit or Loss and is included in Other Income.

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 2019. All capitalised borrowing costs in the current and comparison periods are in relation to the Patons Lane qualifying asset. The weighted average capitalisation rate of funds borrowed generally is 2.91% per annum (2018: 4.09%).

Note 24. Net Finance Costs (continued)

	Note	2019 $'000	2018 $'000
Interest expense – Loans		6,152	5,995
Interest expense – Finance lease liabilities		(109)	924
Interest expense – Deferred purchase payment (i)		1,566	1,216
Amortised borrowing costs (ii)		1,379	434
Capitalised borrowing included in the cost of qualifying asset		(2,197)	(1,770)
Finance costs		**6,791**	**6,799**
Interest income	3	(1,946)	(86)
Finance income		**(1,946)**	**(86)**
Net finance costs		**4,845**	**6,713**

(i) Implicit interest on the deferred payment purchase structure of the Patons Lane qualifying asset.
(ii) Deferred borrowing costs of $0.6 million relating to set up of original syndicated bank loan arrangement were expensed during the period as a consequence of amendments made to the loan agreement (also refer to Note 23).

Note 25. 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 23.

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:

	2019 $'000	2018 $'000
Current borrowings	7	2,388
Non-current borrowings	313,255	174,137
less cash and cash equivalents	(39,189)	(21,443)
Net debt	274,073	155,082
Total assets (less cash)	1,296,495	556,312
Net debt to total assets ratio	21.1%	27.9%

Net debt to total assets ratio:
(i) Debt is defined as long-term and short-term borrowings, as described in Note 23.
(ii) Total assets less cash includes all assets of the Group less cash and cash equivalents.

Note 25. Financial Instruments (continued)

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. Market risk includes foreign currency risk and interest rate risk.

Interest Rate Risk
The Group is exposed to interest rate movements on its bank loans.

Foreign Currency Risk
Foreign currency risk arises as a result of having assets and liabilities denominated in a currency that is not the Group's functional currency (balance sheet) or from transactions or cash flows denominated in a foreign currency (cash flow risk). Foreign currency risk is not material to the Group.

The foreign currency risk associated with the commitment for stage payments on the purchase of plant and equipment was economically hedged with a series of FX forward contracts. The final 10% retention payment (EUR 890,000) is due 12 months after delivery and remains unhedged. Hedge accounting has not been applied and a fair value gain on the forward contracts of $139,332 has been recorded as other income in the current year (2018: $Nil).

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

	30 June 2019		30 June 2018	
	Weighted ave interest rate	$'000	Weighted ave interest rate	$'000
Bank loans (variable)	2.91%	315,000	4.09%	158,000
Finance lease liabilities (fixed rate)	2.62%	7	3.84%	19,315

A 1% change in the interest rates would have increased/(decreased) the profit by $1,215,000 (2018: $1,391,000).

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.

	2019 $'000	2018 $'000
Cash and cash equivalents	39,189	21,443
Trade and other receivables	71,317	44,197
Contract assets [(i)]	3,586	2,816
	114,092	68,456

(i) During the year, the first time application of AASB 9 'Financial Instruments' was applied. Included in this table is the value of contract assets that existed in 2018 as Trade and Other Receivables. Whilst comparative amounts were not recognised on the face of the balance sheet, the value has been reflected in the above table for comparability purposes.

Note 25. Financial Instruments (continued)

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 $78 million (2018: $38 million) in available head room in its banking facilities and a further $100 million pre-approved accordion facility, plus $39 million in cash. The contractual maturities of the Group's financial liabilities are:

2019	Weighted ave interest rate	1 Year $'000	Over 1 to 2 Years $'000	Over 2 to 5 Years $'000	Total $'000	Carrying Amount $'000
Trade and other payables		145,674	-	-	145,674	145,674
Contract Liabilities		3,056	-	-	3,056	3,056
Bank loans	2.91%	9,192	9,167	316,557	334,916	315,000
Finance lease liabilities	2.62%	7	-	-	7	7
Financial guarantees	2.91%	7,199	-	-	7,199	-
		165,128	9,167	316,557	490,852	463,737

2018	Weighted ave interest rate	1 Year $'000	Over 1 to 2 Years $'000	Over 2 to 5 Years $'000	Total $'000	Carrying Amount $'000
Trade and other payables		75,137	-	-	75,137	75,137
Contract Liabilities		2,534	-	-	2,534	2,534
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	-
		90,946	21,687	160,768	273,401	254,986

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 of 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 26. 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	2019		2018	
Details	Number of shares	$'000	Number of shares	$'000
Ordinary share capital				
Fully paid ordinary shares	656,442,495	1,288,923	414,883,467	748,137

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.

Movements in ordinary share capital		2019		2018	
Date	Details	Number of shares	$'000	Number of shares	$'000
	On issue at 1 July	414,883,467	748,137	349,000,000	624,015
	Movements:				
2/10/2017	Issue of shares as consideration for Business Combination (i)	-	-	1,714,663	3,734
6/12/2017	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
2/5/2018	Issue of shares under dividend reinvestment program	-	-	976,299	2,704
30/08/2018	Issue of shares under Entitlement Offer (Institutional tranche) (iii)	138,720,619	352,350	-	-
14/09/2018	Issue of shares under Entitlement Offer (Retail tranche) (iii)	28,573,079	72,576	-	-
27/09/2018	Issue of shares under dividend reinvestment program	176,268	545	-	-
20/12/2018	Employee Gift Offer	36,445	98	-	-
25/03/2019	Issue of shares as consideration for Business Combination – DADI (iv)	78,740,154	127,953	-	-
	Share buy-back during year	(4,687,537)	(7,330)	-	-
	Capital raising transaction costs during the year (net of tax)	-	(5,406)	-	(2,382)
	On issue at 30 June	**656,442,495**	**1,288,923**	**414,883,467**	**748,137**

(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 VIC 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 Offering)

(iii) On 21 August 2018, the Group announced it had entered into a binding agreement to acquire Dial-A-Dump Industries ("DADI"). The acquisition was 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.

(iv) Refer Note 18.

Note 27. Reserves

	2019 $'000	2018 $'000
Group reorganisation reserve (a)	(545,068)	(545,068)
Employee equity benefits reserve (b)	3,243	1,452
Closing balance	**(541,825)**	**(543,616)**

(a) Group reorganisation reserve

Under the corporate reorganisation and initial public offering policy, 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.

	2019 $'000	2018 $'000
Group reorganisation reserve		
Opening Balance	(545,068)	(545,068)
Closing balance	**(545,068)**	**(545,068)**

(b) 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 32 for further details on these share-based payment plans.

	2019 $'000	2018 $'000
Employee equity benefits reserve		
Opening Balance	1,452	162
Share based payment expense (i)	1,791	1,290
Closing balance	**3,243**	**1,452**

(i) Refer to Note 32 for further details.

Note 28. Dividends

The Company declared a fully franked dividend on ordinary shares for the financial year ended 30 June 2019 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 29 August 2019 with payment to be made on 30 September 2019. Details of the dividends in respect of the financial year are as follows:

	2019		2018	
	Cents per share	Total '$'000	Cents per share	Total '$'000
Dividends paid during the period				
Final dividend relating to prior period	2.00	8,298	0.00	-
Interim dividend relating to current period	1.72	10,017	1.72	7,119
	3.72	**18,315**	**1.72**	**7,119**
Dividend determined in respect of the period				
Interim dividend relating to current period	1.72	10,017	1.72	7,119
Final dividend relating to current period declared subsequent to year end	2.00	13,151	2.00	8,298
	3.72	**23,168**	**3.72**	**15,417**

	2019 $'000	2018 $'000
Dividends paid in cash or satisfied by the issue of share under the dividend reinvestment plan		
Dividends paid in cash	17,770	4,415
Dividends satisfied by the issue of share under the dividend reinvestment plan	545	2,704
Total dividends paid	**18,315**	**7,119**

	2019 $'000	2018 $'000
Franking credit balance		
The available franking credits are:		
30% franking credits	63,681	29,490

Note 29. 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.

	2019 $'000	2018 $'000
Finance lease commitments		
Within one year	7	2,388
Less unexpired charges	-	(545)
Between one and five years	-	17,665
Less finance costs	-	(193)
Total	**7**	**19,315**
Operating lease commitments (i)		
Non-cancellable operating leases contracted for but not recognised in the financial statements:		
Non-related payable - Within one year	2,344	2,319
Related party payable - Within one year	2,790	762
Non-related party between 1 year and five years	2,959	3,738
Related party between 1 year and five years	9,661	43
Non-related party after 5 years	1,626	2,001
Related party after 5 years	-	-
Total	**19,380**	**8,863**

(i) Operating lease commitments are recognised over the contractual lease term, and do not include any options to extend.

Refer to Note 33 for related party details.

	2019 $'000	2018 $'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	14,375	5,227

In addition to the above, refer to option commitments at Note 13.

Note 30. 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. In July 2019, the court issued a penalty of $30,000 with respect to the Mortdale matter. As the Minto matter is still before the Court it is not possible to foreshadow the penalty that may be imposed, however BINGO is of the view that any penalty will not be material to earnings.

Note 31. 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 32. 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.

(a) Short-Term Incentives (STI)

During the year, no performance rights were granted under the STI (2018: 341,817).

(b) 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 2019, 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
28 September 2018	1	30 June 2021		437,054	437,054
28 September 2018	2	30 June 2022		437,054	437,054
16 November 2018	1	30 June 2021		6,176	6,176
16 November 2018	2	30 June 2022		6,176	6,176
15 June 2019	1	30 June 2021		37,980	37,980
15 June 2019	2	30 June 2022		37,980	37,980
Total			**779,000**	**962,420**	**1,741,420**

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 32. Share-Based Payments (continued)

(b) Long-Term Incentives (LTI) (continued)

Fair market value	Tranche 1 (EPS)	Tranche 1 (TSR)	Tranche 2 (EPS)	Tranche 2 (TSR)
28 September 2018	$3.01	$1.90	$2.97	$1.96
16 November 2018	$2.22	$1.30	$2.18	$1.36
15 June 2019	$1.96	$0.87	$1.93	$0.98

Key valuation assumptions made at grant date were:

Grant date	28 September 2018		16 November 2018		15 June 2019	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Share price	$3.12	$3.12	$2.08	$2.08	$2.04	$2.04
Expected volatility	33%	33%	33%	33%	36%	36%
Expected life	2.8 years	3.8 years	2.6 years	3.6 years	2.0 years	3.0 years
Risk free interest rate	2.06%	2.16%	2.10%	2.19%	1.03%	1.03%
Dividend yield	1.39%	1.39%	1.66%	1.66%	1.94%	1.94%

(c) 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:

	2019 $'000	2018 $'000
STI(i)	297	206
LTI(i)	810	271
Transactional Bonus(ii)	684	813
	1,791	**1,290**

(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 33. 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 22.

(c) Key management personnel

Disclosures relating to key management personnel (KMP) are set out in the Remuneration Report on pages 19 to 32. The aggregate compensation made to directors and other members of key management personnel of the Company and the Group is set out below:

	2019 $	2018 $
Short-term employee benefits	2,771,916	2,529,064
Post-employment benefits	88,803	74,117
Other long-term employee benefits	158,626	95,766
Equity settled share-based payments	726,156	438,441
	3,745,501	3,137,388

(d) Wholly owned Group transactions

The wholly owned Group is listed in Note 22. 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 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 was leased to the Group on normal commercial terms and conditions. During the year the land was purchased at market value of $13.5 million on normal commercial terms. Lease obligations outstanding at the acquisition date amounting to $189,000 were settled as part of the transaction.

The DADI business was acquired by the Group in March 2019. The land and buildings at Alexandria, which are owned by entities associated with a director, are leased to the Group on normal commercial terms and conditions. $1,113,645 (2018: $Nil) was expensed during the period of ownership with $1,223,091 paid (inclusive of GST). $1,919 was outstanding at year end (2018: $Nil).

Expenses were incurred on credit cards controlled by a Director. The Group reimbursed the Director for business related expenses. During the year, $Nil was reimbursed to the Director (2018: $Nil). $352,732 was outstanding at year end (2018: $Nil).

The Group has received executive management services from an entity associated with a director to which fees of $105,600 (2018: $Nil) were paid. $75,900 was outstanding at year end (2018: Nil).

The Group has received financial advisory advice from an entity associated with a director to which fees of $198,000 (2018: $280,500) were paid. $Nil was outstanding at year end (2018: $Nil).

The Group undertakes certain capital and maintenance work which it contracts out to director-related entities or entities controlled by the Pre-IPO BINGO Group shareholders. During the year $370,902 (2018: $1,280,822) was paid. $89,219 was outstanding at year end (2018: $5,980).

The Group leased certain plant & equipment to entities controlled by the Pre-IPO BINGO Group shareholders. During the year $Nil (GST inclusive) was charged on normal commercial terms (2018: $1,265,000). An amount of $165,000 was repaid and $Nil was outstanding at year end (2018: $165,000).

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 $139,544 was received (2018: $1,050,472). $80,826 was receivable at year end (2018: $11,566).

Note 34. Events Subsequent to the financial year end

Final Dividend

On 22 August 2019, the Directors of the Company declared a final dividend on ordinary shares with respect to the year ended 30 June 2019. The total amount of the dividend is $13.2 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 2019.

Patons Lane operational

Patons Lane was acquired in December 2017 as a greenfield resource recovery and landfill asset located in Western Sydney. Construction of the Patons Lane asset has taken place over the last 18 months, which included excavation and construction of the landfill cell, dewatering of the quarry void and construction of the recycling facility. Patons Lane commenced its recycling operations in July 2019. In light of the DADI acquisition, BINGO optimised the plant design for Patons Lane and expects to install advanced recycling equipment at Patons Lane in 1H FY20.

Exercise of Land Option

In July 2019, the Group exercised an option over the land and buildings at Minto for $4.25 million.

Note 35. 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:

	2019 $	2018 $
Audit and review of the financial statements	450,000	325,000
Due diligence services	515,000	250,000
Tax consulting and compliance services	94,835	152,000
Other assurance services	27,563	-
Total	**1,087,398**	**727,000**

Directors' Declaration

The Directors declare that:

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

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

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

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

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 22 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

22 August 2019
Sydney

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

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 "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement for cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and 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 2019 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.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for the acquisition of Dial-A-Dump Industries During the financial year, the Group acquired the Dial-A-Dump Industries Pty Limited Group of entities (DADI), as disclosed in Note 18. Accounting for this transaction is complex and judgmental, requiring management to determine: • the appropriate purchase price allocation, including the fair value assessment of the identifiable tangible and intangible assets, specifically landfill void, customer relationships and brand name; • the appropriate accounting for transaction related tax matters; • the appropriate classification of options relating to land as a consequence of the acquisition; • the appropriate accounting for assets held for sale that arose as a result of the significant business acquisition, including the allocation of goodwill and tax positions associated with the sale of the asset held for sale; and • the completeness and appropriateness of disclosures pertaining to the transaction and associated provisional accounting. As at year end, this transaction has been accounted for on a provisional basis.	Our procedures included, but were not limited to: • Understanding the process that management and the directors applied to recognise the acquisitions; • Obtaining an understanding of key controls relating to the process and evaluated these key controls for design and implementation effectiveness; • Evaluating the skills and expertise of management's independent valuation experts; • Reviewing the take on balance sheet and management's assessment of the fair values of assets and liabilities, including but not limited to: - management's methodologies for assessing the fair value of physical property, plant and equipment acquired, - expected credit loss provisions at the date of acquisition, and - application of the Group's revenue recognition policies in relation to contract assets, liabilities and income in advance balances; • Obtaining a detailed understanding of the terms and conditions of the purchase contracts to assess the accounting treatment, including the classification of options relating to land; • Assessing, in conjunction with our valuation specialists, the appropriateness of the discount rate and the provisional values attributed to the acquired intangible assets and liabilities assumed as part of each business acquisition; • Evaluating management's methodologies for assessing the carrying value of the Banksmeadow site business and assets held for sale that arose as a result of the DADI acquisition; • In conjunction with our tax specialists: - understanding the process that management have undertaken to identify and assess tax positions, - assessing the taxation balances arising as a consequence of the DADI acquisition have been appropriately calculated and accounted for; and • Assessing the appropriateness of the disclosures in financial statements relating to the DADI acquisition to ensure compliance with AASB 3 *Business Combinations*.

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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 2019, 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

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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 21 to 32 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Bingo Industries Limited, for the year ended 30 June 2019, 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

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Tara Hill
Partner
Chartered Accountants
Sydney, 22 August 2019