Appendix 4E

for the year ended 30 June 2020

Bingo Industries Limited

ABN 72 617 748 231

Reporting period: 30 June 2020

Previous corresponding period: 30 June 2019

Results for announcement to the market

	30 June 2020 A$'000	30 June 2019 A$'000	Up/Down	% Change from year ended 30 June 2019
Revenue from ordinary activities	478,629	395,739	Up	20.9%
Profit from ordinary activities after tax attributable to members	66,014	22,265	Up	196.5%
Net Profit for the period attributable to members	66,014	22,265	Up	196.5%

Dividend information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2019 final dividend per share	2.00	2.00	30%
2020 interim dividend per share	2.20	2.20	30%
2020 final dividend per share	1.50	1.50	30%

2020 final dividend dates	
Ex-dividend date	31 August 2020
Record date	1 September 2020
Payment date	8 October 2020

The BINGO Board approved the suspension of its Dividend Reinvestment Plan (DRP) during the year ended 30 June 2019 and the DRP remains suspended for the year ended 30 June 2020.

Net tangible assets per security

	30 June 2020 Cents	30 June 2019 Cents
Net tangible assets per security	54.5	51.9

Financial information

This report is based on the audited Bingo Industries Limited and Controlled Entities Consolidated Financial Report for the year ended 30 June 2020.

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 2020.

CONSOLIDATED FINANCIAL REPORT

For the Full Year ended 30 June 2020

PUSHING FOR
A WASTE FREE
AUSTRALIA

BINGO was proud to assist our customers Winton Property Group at their tree topping ceremony in North Sydney.

BINGO
INDUSTRIES

Consolidated Notes

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" or "the Group"), for the financial year ended 30 June 2020 ("FY20").

Directors

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

Michael Coleman	Independent Chair and Non-Executive Director	
Maria Atkinson AM	Independent Non-Executive Director	
Daniel Girgis	Non-Executive Director	
Ian Malouf	Non-Executive Director	
Barry Buffier AM	Independent Non-Executive Director	
Elizabeth Crouch AM	Independent Non-Executive Director	(Appointed 4 October 2019)
Richard England	Independent Non-Executive Director	(Resigned effective 13 November 2019)
Daniel Tartak	Managing Director and Chief Executive Officer	

During the reporting period, the office of Company Secretary was jointly held by Rozanna Lee (BCom, LLB, GradDipACG, AGIA, AGIS) and Stephen Schmidhofer (BEc, LLB, Grad Dip Legal Practice, MBA).

Principal Activities

The principal activities of the Group during the financial period 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, recycling, product manufacture and disposal components of the waste value chain.

No significant change in the nature of these activities occurred during the year ended 30 June 2020.

Dividends

The Company declared fully franked dividends on ordinary shares pertaining to the financial year ended 30 June 2020 totalling 3.7 cents per share ($24.2 million in aggregate), being an interim dividend of 2.2 cents per share ($14.4 million in aggregate) and final dividend of 1.5 cents per share ($9.8 million in aggregate) declared subsequent to year end. The record date of the final dividend is 1 September 2020 with payment to be made on 8 October 2020. The financial effect of the final dividend has not been brought to account in the financial report for the year ended 30 June 2020 and will be recognised in a subsequent financial report.

Table 1

Recognised (Paid amounts)	2020 $'000	2019 $'000
Fully paid ordinary shares		
Final dividend for 2019: 2.00 cents per share (2018: 2.00 cents per share)	13,151	8,298
Interim dividend for 2020: 2.20 cents per share (2019: 1.72 cents per share)	14,384	10,017
Total dividends paid	**27,535**	**18,315**

The Dividend Reinvestment Plan (DRP) continued to be suspended during the year ended 30 June 2020.

Directors' Report

Operating and Financial Review

Review of Operations

Business Overview

BINGO's operations are organised across three key segments:

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

BINGO's operations include a network of 10 facilities in New South Wales (NSW) including transfer stations and integrated assets with advanced recycling capability together with two disposal assets in NSW and 4 recycling and transfer stations in Victoria (VIC). BINGO has a workforce of over 1,000 people and a truck fleet of approximately 330 trucks across NSW and VIC.

Executive snapshot of performance

- FY20 was a transformational year for BINGO, focusing on the integration of the Dial A Dump Industries (DADI) business and reconfiguring our network across NSW and VIC, together with a strong emphasis on completing projects to increase our network capacity from 3.8 to 4.6 million tonnes per annum (p.a.).

- Within this, improving safety outcomes remained a priority with a comprehensive new safety training and communication plan rolled out across the business during the reporting period to support existing ISO certified management systems. We will continue to focus on ensuring the "Think Safe, Be Safe, Home Safe" message is ingrained in our workforce and across all our sites.

- Our ongoing focus on safety has contributed to a Lost Time Injury Frequency Rate[1] (LTIFR) as at 30 June 2020 of 0.4, down from 0.8 in the prior comparative period ("PCP" or "FY19") and better than the industry averages.

- Total underlying revenue and other income[2] grew by 21.0% against the PCP to $486.7 million and underlying EBITDA[3] was up 40.8% to $152.1[4] million. Performance during FY20 was negatively affected by the economic impacts of COVID-19 during Q4 FY20. Collections revenue was down ~ 15%, driven largely by reductions in volume against the first 9-months of FY20, and stabilised in July. Post-Collections revenue was down ~ 5% in April and May before recovering in June and July, primarily due to waste mix and higher volumes offsetting pricing impacts. Despite the impact of the COVID-19 pandemic, the Group achieved good growth in revenue and earnings for FY20 and improved EBITDA margins Year on Year (YOY).

- Total expenses decreased as a proportion of total revenue and other income; total statutory costs represented 81.3%, compared to 92.3% in the PCP. The proportionate improvement in operating expenses (opex) was primarily driven by:
  - cost synergies from the integration of the DADI business;
  - decreased operating costs as a result of the NSW network reconfiguration;
  - NSW price rise offsetting higher tipping and transport costs associated with the introduction of the Queensland (QLD) waste levy and other regulatory cost increases; and
  - direct steps taken to mitigate the impacts of the COVID-19 pandemic in Q4 FY20.

- DADI integration is complete and delivery of full cost synergies of $15 million remains on track for the end of FY21. Further revenue upside from the integration is reliant upon volume recovery post-COVID-19.

[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] Statutory revenue and other income of $509.7 million includes $22.4 million from gain on sale of Banksmeadow and acquisition cost credits of $0.6 million.

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

[4] Underlying EBITDA of $152.1 million includes $2.1 million associated with property related activities in the ordinary course of business.

Executive snapshot of performance (continued)

- The Group Underlying EBITDA margin was up 4.4 percentage points to 31.3%[5] - This increase was expected to take two years to achieve from FY19. Key drivers include:
    - full year contribution of DADI business and associated cost synergies;
    - reconfiguration of network in NSW and VIC;
    - NSW price rise implemented in July 2019 (initially offset by some volume losses); and
    - net gain on sale of property.
- Statutory[6] net profit after tax (NPAT) of $66.0 million representing a 196.0% increase against the PCP of $22.3 million. This includes a gain on sale of the Banksmeadow facility of $22.4 million.
- Strong growth in underlying operating free cash flow of 37.4% to $160.1 million with 106.9% cash conversion for the twelve months ended 30 June 2020. Pleasingly, the cash conversion in the H2 FY20 was 125.2%. Combined with an ongoing focus on cost management, this enabled the Group to finish FY20 with net debt of $308.2 million and a gearing ratio which was vastly improved on FY19 at 2.0x Net Debt/EBITDA versus 2.6x in the PCP.
- Solid statutory Earnings Per Share (EPS) growth up from 3.9 cents per share to 10.1 cents per share (7.7 cents excluding the gain on sale of the Banksmeadow facility of $22.4 million).
- Final dividend of 1.5 cents per share, making a total dividend of 3.7 cents for the year.
- Over the course of FY20, our development activities delivered a net 0.8 million tonnes p.a. increase in capacity to 4.6 million tonnes p.a., and included the following key items:
    - in February 2020, Stage 1 of the Patons Lane advanced recycling equipment build was commissioned;
    - construction of Mortdale transfer facility was completed in February 2020;
    - in February 2020, the West Melbourne 24-hour licence modification was approved and from June 2020, the West Melbourne recycling facility was able to operate to extended hours and better utilise the overall site capacity; and
    - in April 2020, the NSW Independent Planning Commission approved the proposed modification (Mod. 6) to BINGO's existing planning approval at its recycling and landfill facility at Eastern Creek. The operational changes under Mod. 6 include:
        - an increase of the annual landfill limit from 700,000 tonnes per annum to 1 million tonnes per annum (excluding additional residual waste from the Material Processing Centres); and
        - an increase in the operating hours of the Material Processing Centres to 24 hours / 7 days per week (including Public Holidays), and an extension of hours for the receipt of materials and operation of the crushing area and landfill.
- BINGO's COVID-19 response was firmly focused on maintaining the health and safety of our staff and customers, maintaining customer service, the underlying business performance and capital adequacy requirements.
- BINGO's COVID-19 response group continue to monitor the environment on a regular basis and the Group is well placed to respond in the event the pandemic worsens or continues for an extended period. Business Continuity Plans are in place across all business units and the business has the ability to further reduce its forecast operating costs and capex in FY21 should the need arise. The focus on capital expenditure, operational expenditure and cash collection will continue, and we will continue to monitor our eligibility for fiscal support from government bodies.

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[5] Underlying EBITDA margin excludes gain on sale of Banksmeadow of $22.4 million. Excluding net property related profit, underlying EBITDA margin is 30.8% versus 31.3%.

[6] 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 other one-off non-recurring items. These costs are set out on page 7. 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.

Directors' Report

Executive snapshot of Strategy

- BINGO's strategy remains unchanged. We are three years into a five-year journey and the focus over the next 12 months will continue to be "optimising the core" through organic growth, business optimisation, and consolidation of our Victorian footprint. "Optimising the core" will allow BINGO to realise synergies of the expanded operating platform, deliver cost efficiencies across the network, and ensure the foundations in place are optimal to continue to execute on its strategy in the current environment. Key focus areas include:
    - in NSW, the focus is on optimising the network of facilities and completing the construction of MPC 2 at Eastern Creek, which will significantly increase recycling capacity and diversion of waste from landfill within the network. Once this is completed the focus on asset utilisation and volumes into the network will increase, in order to take advantage of the capacity we now have in our network;
    - in VIC, we will target organic growth in collections, whilst the Post-Collections strategy is centred on continuing to increase recovery rates in the network, together with the internalisation of waste volumes to enhance margin growth;
    - in both jurisdictions, we will continue to focus on organically growing our C&I business and on achieving economies of scale; and
    - the Group is also heavily focused on launching the next iteration of its customer centric technology platform and in ensuring this links into an upgraded Enterprise Resource Planning software.

- Whilst the impacts of COVID-19 will make FY21 a challenging period, BINGO is well-placed to benefit from structural, regulatory and market tailwinds in FY22 and beyond due to the:
    - exposure to medium-term economic and population growth;
    - regulatory and community support for recycled content;
    - supportive regulatory environment for recycling – federal and state policies – including landfill levies forecast to increase in VIC from $65.90 to $125.90 within 2 years, and in QLD from $80.00 to $90.00 within 2 years;
    - peak infrastructure investment cycle ahead of us – Federal Government commitment of $100 billion, and NSW and VIC State Government infrastructure funding commitments in aggregate of ~$125 billion (pre-COVID-19) over the next 4 years (i.e. $71 billion in NSW and $53 billion in VIC);
    - likelihood of further fiscal stimulus to boost the economic turnaround post COVID-19 through the investment in essential infrastructure and small to medium construction projects;
    - recovery in residential construction with pent-up demand to drive steeper residential recovery, assisted by numerous stimulus measures from mid FY22 onwards;
    - investment in front of the curve which provides latent capacity for growth through the strength of BINGO's network of vertically integrated waste infrastructure assets;
    - potential closure of competing NSW non-putrescible landfills expected over the next five years which may enable a significant increase in BINGO landfill volumes; and
    - significant scope to build market share in C&I business – management estimates BINGO currently has ~5% market share in NSW and <2% in VIC.

- BINGO's business model is ideally positioned to support and benefit from the transition to a circular economy in Australia. Federal and state governments are helping to create a sustainable market for recycled products by mandating their use in government projects. The Group's ability to collect and process waste from building and infrastructure projects and convert this waste into recycled products to be used on these same projects demonstrates our ability to "close the loop". Sales of BINGO's Eco-Product range are expected to increase as governments set targets for recycled product use on future large-scale infrastructure projects.

Review of Financials

Summary of Financial Performance

Table 2

Group	Full year ended 30 June 2020 $ millions	Full year ended 30 June 2019 $ millions	YoY Variance %
Statutory Revenue and other income	509.7	402.2	26.7%
Underlying Revenue and other income	486.7	402.2	21.0%
Statutory EBITDA	168.8	74.4	126.9%
Underlying EBITDA (i)	152.1	108.0	40.8%
Underlying EBITDA margin (ii)	31.3%	26.9%	16.4%
Statutory EBIT	106.9	37.6	184.3%
Underlying EBIT	90.3	72.3	24.9%
Statutory NPAT	66.0	22.3	196.0%
Underlying NPAT	53.5	53.2	0.6%

(i) FY20 Underlying EBITDA of $152.1 million includes $2.1 million of property related activities in the ordinary course of business.

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

A reconciliation of the FY20 statutory to underlying actual results is summarised as follows:

Table 3

	Note	Revenue and other income $ millions	EBITDA $ millions	EBIT $ millions	NPAT $ millions	NPATA (i) $ millions
FY20 statutory results		**509.7**	**168.8**	**106.9**	**66.0**	**66.0**
Gain on sale of Banksmeadow	1	(22.4)	(22.4)	(22.4)	(22.4)	(22.4)
Integration costs	2		7.7	7.7	7.7	7.7
Acquisition costs	3	(0.6)	(1.0)	(1.0)	(1.0)	(1.0)
Acquisition costs (QLD expansion)	4		1.0	1.0	1.0	1.0
Acquisition costs (Stamp duty)	5		(2.8)	(2.8)	(2.8)	(2.8)
Write-down on insurance receivable	6		0.8	0.8	0.8	0.8
Performance contract amortisation	7			0.1	0.1	0.1
Amortisation of certain intangibles	8					7.6
Underlying tax adjustment	9				4.1	1.8
FY20 underlying results		**486.7**	**152.1**	**90.3**	**53.5**	**58.8**

(i) NPATA is net profit after tax adjusted for the tax effected amortisation arising from acquisition related intangible assets.

Summary of Financial Performance (continued)

For completeness, a reconciliation of the FY19 statutory to underlying actual results is also summarised below:

Table 4

	Note	Revenue and other income $ millions	EBITDA $ millions	EBIT $ millions	NPAT $ millions	NPATA $ millions
FY19 statutory results		**402.2**	**74.4**	**37.6**	**22.3**	**22.3**
Integration costs	2		11.4	11.4	11.4	11.4
Acquisition costs	3		7.5	7.5	7.5	7.5
Acquisition costs (stamp duty)	5		14.8	14.8	14.8	14.8
Capital raising costs	10			0.7	0.7	0.7
Performance contract amortisation	7			0.3	0.3	0.3
Amortisation of certain intangibles	8					5.3
Underlying tax adjustment	9				(3.8)	(5.4)
FY19 underlying results		**402.2**	**108.0**	**72.3**	**53.2**	**56.9**

Notes accompanying table on this and the previous page:

1 Gain on sale of Banksmeadow facility of $22.4 million.

2 Integration costs represent the costs incurred by BINGO to integrate businesses acquired into the Group. Integration costs include bringing the operations in line with BINGO safety standards. Operating costs include compliance costs, marketing and rebranding, travel, IT and employee costs.

3 Acquisition costs include a credit of $0.6 million pertaining to the purchase price of the acquisition of DADI and $0.4 million in adjustments to prior period acquisition costs.

4 Acquisition costs include $1.0 million of fees paid to advisors and a forfeited deposit on the deferred acquisition into QLD which was put on hold at the time of the COVID-19 pandemic outbreak.

5 Acquisition costs include a credit of $2.8 million in stamp duty payable on the DADI acquisition. (2019: $14.8 million).

6 Includes the write-down of $0.8 million on insurance receivables associated with the Kembla Grange rectification works in FY18. This claim was finalised in FY20 with the Company receiving $2.2 million in June 2020 and a further $0.8 million in July 2020.

7 As part of an acquisition 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 has been fully amortised by 30 June 2020.

8 Includes the amortisation expense of certain intangibles being: (a) Customer contracts; and (b) Brands.

9 Represents the income tax impact of the underlying adjustments (excluding acquisition costs), calculated at 30%.

10 During the prior year, capital raising costs incurred of $0.7 million related 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 been fully amortised by 30 June 2019.

Summary of Financial Performance (continued)

Table 5

	Note	Full year ended 30 June 2020 $ millions	Full year ended 30 June 2019 $ millions	YoY Variance %
Total bank borrowings	1	365.0	315.0	15.9%
Net bank debt	2	308.2	275.8	11.7%
Underlying ROCE (%)	3	8.0%	9.4%	(14.9%)
Net working capital (NWC)	4	64.1	0.7	N/A
Underlying operating free cash flow	5	160.1	116.5	37.4%
Cash conversion (%)	6	106.9%	109.8%	(2.6%)

Notes:

1 Total bank borrowings = Bank loans only (excludes borrowing costs)
2 Net bank debt = Total bank borrowings less cash
3 Underlying Return on Capital Employed (ROCE) (%) = (Underlying EBIT) / (Average net bank debt + Average equity)
4 NWC = Current Assets less Current Liabilities
5 Underlying operating free cash flow = operating cash flow + income tax paid + acquisition and integration costs paid less other underlying cashflow adjustments[7]
6 Cash conversion = Underlying operating free cash flow / (Underlying EBITDA less gain/(loss) on sale of property, plant and equipment less interest income)

Observations for the full year include:

- At the end of the period, the Group had total bank borrowings of $365.0 million and net bank debt of $308.2 million.
- Underlying operating free cash flow was up 37.4% to $160.1 million. As a result of the strong focus by management on cash collection, operating cash conversion of 106.9% was achieved for the full year, which was above the Group target of >90%. Operating cash conversion in H2 FY20 was particularly strong at 125.2%.
- Net working capital ("NWC") of $64.1 million, an increase of $63.4 million from PCP.
- Due to the significant recent investments and changes in the market environment, Underlying ROCE was 8.0%. We expect Underlying ROCE to incrementally improve going forward when the benefits from recent acquisitions and redevelopment activities are realised and the impacts of COVID-19 moderate. Drivers include:
  - the Group now has installed operating capacity of 4.6 million tonnes p.a. and an ability to earn significantly higher EBIT through the cycle, without the requirement for material capital outlay. Over time, we expect this capacity uplift will drive an increase in ROCE, particularly when coupled with supportive supply side dynamics and structural tailwinds in the near to medium term;
  - contributions from redeveloped or acquired assets including West Melbourne, Patons Lane, Mortdale and Eastern Creek MPC 2 and Mod. 6 to increase volumes into landfill;
  - full year impact of DADI earnings and associated cost synergies of $15 million over two years;
  - divestment of non-core assets as part of our on-going capital management plan; and
  - ongoing review of balance sheet structure.

[7] In FY20 other underlying cashflow adjustments include the insurance claim of $2.2 million received in FY20 for costs in prior years associated with Kembla Grange rectification works. In FY19 other underlying cashflow adjustments includes $0.5 million for costs associated with Kembla Grange rectification works.

Summary of Financial Performance (continued)

The Group has an existing principal debt facility, which was amended during the reporting period to increase the total commitment under the Syndicated Facility Agreement (SFA), by the amount of the accordion facility (Facility C) for up to $100 million, increasing the total commitment under the SFA to $500 million. This facility matures in August 2021. The facility was drawn down to $365.0 million and net debt was $308.2 million as at 30 June 2020. In support of the Group's strong FY20 financial results and net gearing levels in H2 FY20, the existing Banking Syndicate has increased the Total Leverage Ratio to 4.5x coming down to 3.0x by 30 June 2021.

Total capital expenditure (capex) paid or payable for the year ended 30 June 2020 was $144.1 million, which included acquisition related capex cashflow of $30.0 million for Patons Lane and accrued capex of $5.8 million related to FY21 payments. Capex has historically comprised expenditure on maintenance, growth projects and investment in the truck and bin fleet, as well as business acquisitions. Capital expenditure for the year ended 30 June 2020 included:

- $64.7 million for development projects;
- $45.1 million for growth and maintenance capex;
- $30.0 million for the final payment for Patons Lane; and
- $4.3 million for the execution of the call option over the Minto land.

After allowing for the impact of the proceeds on the divestment of property, plant and equipment during the year the net capital expenditure was $71.9 million.

COVID-19 Impacts and Mitigation Strategy

Upon the emergence of the COVID-19 pandemic, BINGO proactively sought to protect the safety of its people, ensure continuity of services to customers, and enact initiatives to preserve cash flow.

The aim of BINGO's strategy in a COVID-19 environment is to:

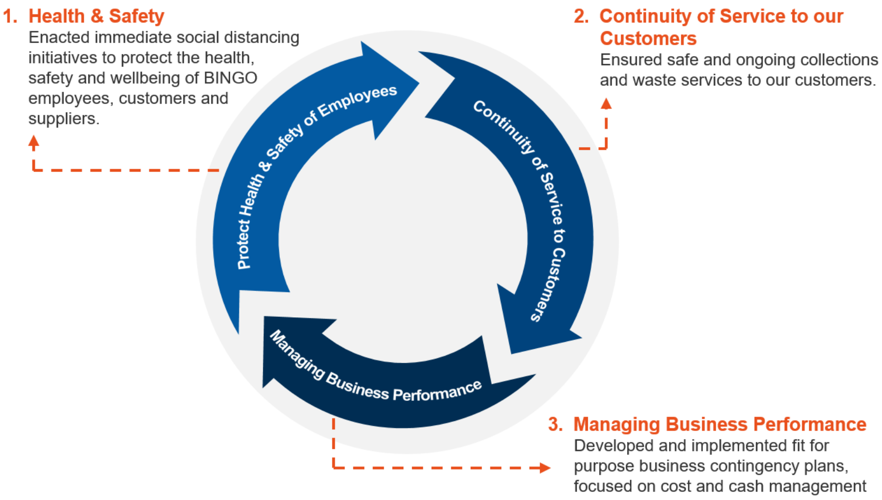
- protect the welfare of employees and customers;
- improve customer experience and support through the COVID-19 environment;
- protect existing volumes; and
- protect the balance sheet and be disciplined with costs, cash and capital.

A COVID-19 response group was implemented in early March 2020 to co-ordinate a group level response to the pandemic. Following advice from the health authorities, the key priorities were to better manage hygiene and social distancing. To achieve this, the Group has implemented a number of measures including the provision of hand sanitiser and disinfectant wipes at all sites, daily hospital grade cleans at all sites, site-based temperature checks, a change in process for cash handling and reinforced hygiene messages for weighbridge staff and drivers. In addition, social distancing measures have been rolled out across all sites including work from home for office-based employees, limiting face to face meetings and introducing policies and restricted numbers for meetings, revisions to the changeover process of vehicles and for drivers now obtaining electronic signatures. There has also been a ban imposed on all work-related air travel by staff. In addition, safety measures introduced to protect customers have been introduced which include the implementation of contactless delivery for our collection's customers and the provision of masks for customers at our Post-Collections sites.

Directors' Report

COVID-19 Impacts and Mitigation Strategy (continued)

Chart 1: BINGO Core COVID-19 Response Initiatives



A fortnightly Board meeting was also implemented to ensure Directors were well informed and were proactively and promptly managing the impacts as changes occurred within the community.

Prior to the COVID-19 pandemic, BINGO's Q3 FY20 financial performance remained on track to deliver its stated market guidance. BINGO's Q4 FY20 financial performance was impacted by government-imposed restrictions across both states together with the economic impacts related to the COVID-19 pandemic. During the period BINGO implemented pro-active cost management initiatives, including the deferral of all non-essential capex, reduction in operating costs, and a focus on cash management.

BINGO estimates that the direct costs attributable to the COVID-19 response in FY20 were approximately $0.4 million and related to additional cleaning and hygiene and safety products such as sanitiser and thermometers, as well as the establishment of alternative work locations and investment in remote working technology. The Group also delayed the proposed entry into QLD of which it had incurred costs as outlined in Table 3.

Further, revenue was impacted across the business in Q4 FY20. Collections revenue was down ~ 15%, driven largely by reductions in volume against the first 9-months of FY20, but has stabilised in July. Post-Collections revenue was down ~ 5% in April and May before recovering in June and July, primarily due to waste mix and higher volumes offsetting pricing impacts. As government restrictions relax, we would expect to continue to see a solid recovery in C&I collections which had seen a more immediate impact in relation to the restrictions put in place for non-essential businesses.

During July 2020, the Group recorded COVID-19 positive cases at the West Melbourne site. The site was immediately shut down and the Crisis Management Plan was implemented. All customers were notified, and trucks were diverted to alternative locations. A deep clean of the site was undertaken, including the fumigation of rooms. The site was re-opened at 6am the next morning with a fresh team from other sites. The Group remains vigilant to the risk of further infections and is strictly following health authority guidelines.

COVID-19 Impacts and Mitigation Strategy (continued)

Table 6: BINGO COVID-19 Impacts and Mitigation Strategies in H2 FY20

	COVID-19 Impacts	COVID-19 Mitigation Strategy

C&I	• The C&I end-markets were impacted by the government restrictions and include shopping centres, property services (commercial offices) and hospitality.
	• In April and May, C&I revenue was down ~20% against the first 3 quarters of FY20 (C&I represents approximately 14% of Group revenue).
	• A rebound of 35% in June and July has occurred with the overall decline at ~13%.
	• Further recovery is expected post relaxation of restrictions by government.
		• **Reduced capex and opex** – all non-essential capex was suspended for the remainder of FY20. Operating expenditure was reduced by $8 million against Q4 FY20 budget.
		• **Labour savings** – pro-active labour-saving initiatives implemented from 1 April 2020 which included:
		  ○ 20% reduction in corporate overhead costs to 30 June
		  ○ Reduction in driver and site overtime
		  ○ Compulsory two-week office shut-down over Easter; and
		  ○ 20% reduction in Directors' fees for remainder of FY20.
		• **Reforecast and sensitivity analysis** – full year reforecast and sensitivity analysis completed in March 2020 to calibrate operational levers and monitored weekly.
		• **Cash focus enhanced** – increased resourcing and reporting resulting in final four months delivering strong cash collections and cash conversion in excess of 125% in H2 FY20.
		• **Provisions** – Increase in bad debt provisions from $1.4 million to $4.2 million including the write-off of $0.9 million in unrecoverable debt.
		• **Eligibility for fiscal support** – BINGO Group revenue remained robust limiting the need to access JobKeeper. JobKeeper was secured for only ~90 employees, contributing $0.8 million. BINGO was also able to access tax incentives (instant asset write-off and accelerated depreciation deductions) for the period of $0.3 million.
		• In FY21 we will continue to assess potential opportunities for fiscal support with support for capital investment expected to be up to $6 million.
		• **Targets** – ongoing capex and opex targets for FY21 in place to ensure business expenditure is consistent with the operating environment.

B&D	• Construction activity is deemed an essential public service with existing projects continuing. • Volumes remained solid in the period April-July 2020 however pricing pressure has occurred. • Going forward volumes may be impacted in H1 FY21 as timing delays materialise on new projects.	

Heading into FY21, ongoing plans remain in place to mitigate the impacts of the COVID-19 pandemic on the business.

BINGO remains well positioned in a COVID-19 environment due to its significant ability to manage costs; with variable costs representing approximately 75% of the Group's cost base.

Table 7: BINGO Well Positioned Exiting the COVID-19 Cycle

Capex Invested; Network Established	Leverage Operating Cost Base	Benefiting from Vertical Integration
• BINGO has invested significant capital in its network and has sufficient capacity for growth without investing further material capital. • Strategy focused on maximising the utilisation of the existing asset base. • Ability to significantly grow volumes and EBITDA from existing asset base. • Well positioned to operate within free cash flow for first year since IPO. Young fleet with average age ~2.5 years and owned on balance sheet. • FY21 capex expected to be circa $80 million with ability to ratchet down. Potential to operate with modest capex into FY22 and beyond, estimated total minimum capex of $50 million achievable.	• More than $700 million of PPE on balance sheet. BINGO fleet and network of facilities owned on balance sheet with very limited lease obligations[8]. • BINGO has a highly variable cost base with 75% of the Group's cost base variable to the EBITDA line. • Ability to further flex the variable cost base through the cycle as required. • Low operating leverage will enable BINGO to continue to generate strong earnings in a challenging environment and compete for volumes.	• Vertically integrated operating footprint across NSW and VIC. • High quality assets in key locations. • Recycling-led business model enables BINGO to make more from one tonne of waste than pure-play collections businesses. • Well positioned to maintain and grow market share through the cycle. • Potential for further vertical integration opportunities and opportunistic acquisitions of distressed assets.

[8] *Alexandria transfer facility in NSW and West Melbourne and Clayton South Recycling facilities in VIC are leased properties.*

Operating Sectors

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

I. Collections

Table 8

Collections	Full year ended 30 June 2020 $ millions	Full year ended 30 June 2019 $ millions	YoY Variance %
Revenue and other income	222.3	213.5	4.1%
Statutory and underlying EBITDA	42.8	38.4	11.5%
EBITDA margin (%)	19.3%	18.0%	7.2%

BINGO collects and transports waste from a diverse customer base across NSW and VIC to Post-Collections assets in order to process materials from the building and demolition and broader commercial markets.

Collections revenue and other income grew 4.2% to $222.3 million from $213.5 million in the PCP, primarily driven by a full year contribution of the DADI collections business, an increased operating fleet in VIC and growth in our C&I business. Collections EBITDA margin is up 1.2 percentage points against PCP largely driven by a combination of route optimisation, transport cost efficiencies and customer price increases, which were partially offset by volume impact and customer losses during the period.

The Collections business has also benefited from the extended licence hours within the West Melbourne and Eastern Creek locations with operating shifts staggered to include earlier start times and later finishing times.

Outlook and strategic focus

The Group will continue to use 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 civil and social infrastructure work in hand, recent contract wins and work to tender which provides good revenue visibility into FY21 and beyond. BINGO B&D collections revenue represents 71% of total Collections revenue. BINGO's 5-year strategy is to diversify collections revenue to 40% C&I revenue over three years, providing additional annuity style contracted revenue to the business.

Refer also to Strategy and Outlook section for further commentary relating to residential construction, non-residential (commercial) construction and infrastructure construction over the short to medium term.

Operating Sectors (continued)

II. Post-Collections

Table 9

Post-Collections	Full year ended 30 June 2020 $ millions	Full year ended 30 June 2019 $ millions	YoY Variance %
Revenue and other income	329.0	243.8	34.9%
Statutory and underlying EBITDA	109.0	67.2	62.2%
EBITDA margin (%)	33.1%	27.6%	19.9%

BINGO's Post-Collections business consists of a network of waste infrastructure assets including transfer stations, advanced recycling centres and landfill facilities located across NSW and VIC. BINGO diverts waste from landfill by sorting and processing mixed waste received from the B&D and C&I market to be reused, recycled or sent to other facilities for further processing and disposal. BINGO's Post-Collections network currently consists of 10 facilities located in NSW and 4 facilities in VIC.

As previously noted, during the year BINGO increased its network capacity from 3.8 to 4.6 million tonnes p.a. and Post-Collections revenue and other income increased to $329.0 million which represents a 35.0% improvement on the PCP. Growth in revenue was largely driven by the higher exposure to Post-Collections assets as a result of the DADI acquisition and redeveloped facilities coming online including West Melbourne, Patons Lane and Mortdale.

Post-Collections EBITDA margin increased by 5.5 percentage points to 33.1% from 27.6% in the PCP. EBITDA margin expansion was underpinned by operational efficiencies in both states, cost synergies, NSW network reconfiguration program and NSW price rises (which were partially offset by volume impact and customer losses during the period).

Outlook and strategic focus

Since listing, BINGO has repositioned its focus towards Post-Collection recycling and waste infrastructure assets, with approximately 70% of underlying EBITDA now weighted towards Post-Collections. We expect over time earnings will continue to be more heavily weighted towards Post-Collections as sites currently under development come online. BINGO's strategic focus over the next 12 months in NSW is to:

- optimise the network of existing and new facilities;
- realise the benefits from the completed network reconfiguration plan;
- complete construction of MPC 2 at Eastern Creek together with the masterplan for the Recycling Ecology Park (MPC 2 at Eastern Creek is expected to be operational by H2 FY21) and
- target volumes to improve asset utilisation rates.

Directors' Report

Operating Sectors (continued)

II. Post-Collections (continued)

Outlook and strategic focus (continued)

In VIC, the Post-Collections strategy is centred on increasing recovery rates and internalisation of waste volumes to enhance margin growth. Over the medium-term, BINGO expects to benefit from the approval of licence modifications for the West Melbourne recycling facility to operate 24 hours and the uplift in the VIC landfill levy from $65.90 to $125.90 per tonne within 2 years.

BINGO's long-term strategy is to expand along the east coast of Australia in metropolitan areas. BINGO is now targeting entry into the QLD market in FY22 (previously FY21), through a combination of organic and inorganic 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 allowing the Group to bid for and win more work across both B&D and C&I waste streams. BINGO is well positioned to support the development of a circular economy in Australia with plans for the development of a Recycling Ecology Park at Eastern Creek. Our vision to develop a fully integrated Recycling Ecology Park at Eastern Creek will put Western Sydney and BINGO at the forefront of recycling. The key drivers of the Recycling Ecology Park include:

- internalisation of existing volumes;
- emerging markets driven by government-mandated recycled content specifications;
- increasing landfill levies;
- diminishing landfill capacity in Sydney, driving structural change; and
- a centralised facility providing BINGO with scale as well as the upside of one central approval process for multiple facilities.

The Recycling Ecology Park, once complete, will considerably broaden our range of processed end products as we lead change within the waste industry towards a circular economy.

By seeking alternative waste solutions, we can enhance BINGO's recovery rates beyond our target of more than 75% which is consistent with our strategic intent of diverting waste from landfill through recycling-led solutions. BINGO continues to assess alternate technology solutions to enhance diversion rates for both putrescible and non-putrescible waste. This includes potential waste to energy opportunities along the east coast of Australia in line with our Group strategy of enhancing vertical integration and diverting waste from landfill. Currently BINGO closes the loop on 5 from 14 waste streams and that number will continue to grow as the government mandates use of recycled contents and we deliver on our Ecology Park vision.

Operating Sectors (continued)

III. Other

Table 10

Other	Full year ended 30 June 2020 $ millions	Full year ended 30 June 2019 $ millions	YoY Variance %
Statutory revenue and other income	54.5	31.1	75.2%
Underlying revenue and other income	31.5	31.1	1.3%
Statutory EBITDA	17.1	(31.2)	154.8%
Underlying EBITDA[9]	0.4	2.4	(83.3%)

Other includes the manufacture and sale of bins for both BINGO's collections operations and for external customers through TORO Waste Equipment (TORO), gains and losses on sale of property, 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 a sufficient supply of waste equipment to meet BINGO's growth objectives and standards of quality. TORO has three manufacturing facilities located in NSW, VIC and QLD. TORO manufactures a wide range of waste equipment including plastic and steel bins Australia wide.

Other statutory revenue and other income increased to $54.5 million from $31.1 million in the PCP, which included the net profit from the sale of Banksmeadow of $22.4 million. Excluding the proceeds from Banksmeadow and other non-operating income, underlying revenue and other income was $31.5 million up 1.3% against the PCP. Underlying EBITDA decreased from a profit of $2.4 million to $0.4 million and underlying EBITDA margin is 1.3%, a decrease of 6.4 percentage points from the PCP, impacted by:

- lower interest income;
- higher insurance costs; and
- increased corporate costs.

In relation to TORO specifically, total sales revenue decreased to $26.3 million from $28.8 million in the PCP, with external sales slightly up on the PCP and internal sales down following the peak of the rebranding and refurbishment of bins associated with the DADI integration during the period.

Outlook and strategic focus

TORO sales in FY21 are expected to be impacted in the short-term by residential headwinds which have softened current demand for skips bins used in residential construction. Tailwinds from the rebound in the construction cycle over the medium term are expected to increase waste volumes in the market, underpinned by the strong pipeline of civil and social infrastructure projects and a renewal of residential activity. TORO continues to target market share within the VIC markets and will support BINGO in its QLD entry strategy in FY22. Mechanical waste equipment has also been identified as an area for future growth and diversification supporting BINGO's five-year strategy to further diversify its Collections revenue from the C&I business.

[9] Other underlying EBITDA includes an adjustment of $7.7 million (FY19 $11.4 million) for integration costs, a write-down on insurance receivables of $0.8 million associated with the Kembla Grange rectification works incurred in prior years, a gain on sale of the Banksmeadow facility of $22.4 million and a $2.8 million net credit for acquisition costs (FY19: $22.3 million expense).

Directors' Report

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.

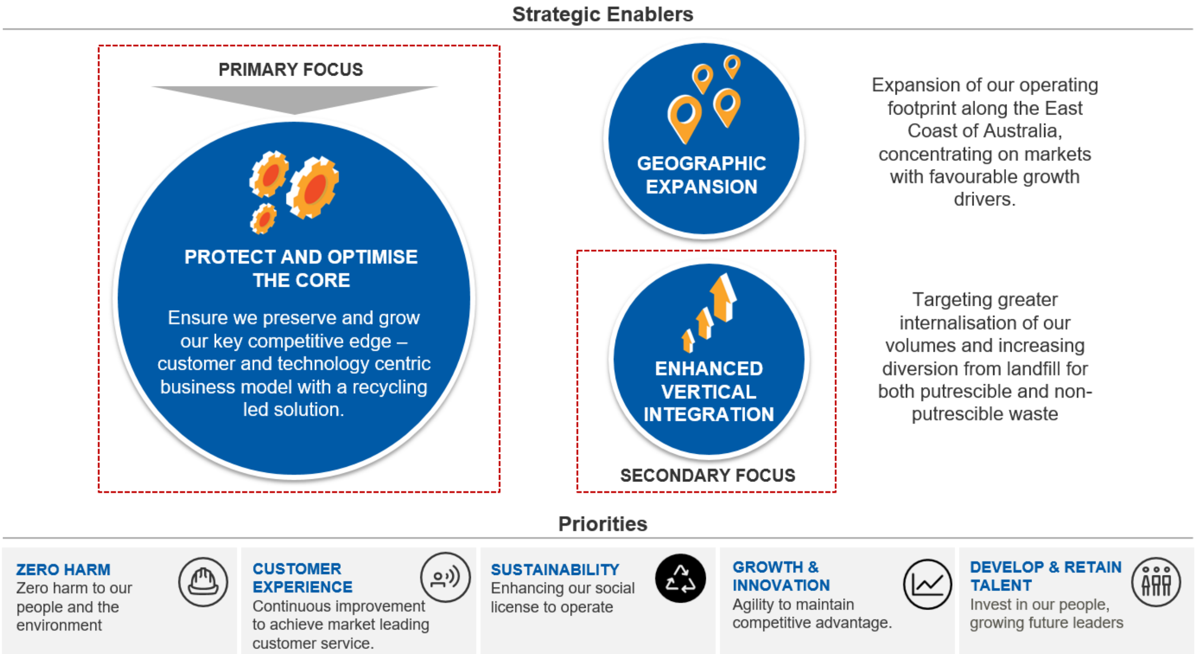
Our Group strategy remains unchanged; our principal strategic intent is diversion of waste from landfill through: a recycling-led solution; investment in technology; continuous innovation to enhance sustainability outcomes; and maximise returns. For BINGO, disruption and innovation are fundamental to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

BINGO is three years into its five-year strategy and has achieved several goals across its strategic enablers.

With the backdrop of the COVID-19 environment, the primary strategic focus over the next 12 months is "optimising the core" through organic growth with a focus on leveraging the enhanced network capacity, business optimisation and consolidation of our VIC footprint. This will allow BINGO to realise the benefits and synergies of the expanded BINGO / DADI platform, deliver efficiencies across the operating footprint and ensure we have the right foundations in place to continue to execute on our strategy through the cycle. Looking further ahead, the same disciplined focus on strategy and execution will enable BINGO to continue its growth journey as we further vertically integrate our business and expand along the east coast of Australia.

As a business, we will continue to pursue opportunities that ultimately lead to the diversion of waste from landfill, including technologies such as waste to energy. We aim to lead the industry in pushing for high operational and compliance standards and a truly national approach to waste policy.

Chart 2: Strategic Enablers and Priorities for FY21



Strategy and Outlook (continued)

Industry dynamics and market outlook

BINGO operates across the B&D and C&I waste streams which are exposed to cyclical and defensive growth drivers. The principle volume drivers that are expected to underpin waste generation and demand for BINGO’s waste management services in the future include:

- increasing population growth;
- further urbanisation in metropolitan areas along the east coast of Australia including the development of a “third city” in Western Sydney under the Greater Sydney Region Plan;
- increased environmental awareness demanding a push domestically for a circular economy by both consumers and government;
- supportive government policy and the regulatory environment continue to pivot towards BINGO’s recycling-led business model (refer also to Table 11 for further details);
- significant pipeline of infrastructure and construction activity; and
- BINGO expects medium term revenue growth to continue at above Gross Domestic Product (GDP) growth levels.

General

Australia’s waste industry has seen significant change in recent years, with a series of factors leading waste and recycling to become a significant issue for Australia. The release of the updated National Waste Policy, the development of multiple State-based waste and circular economy policies, China’s import restrictions and the reintroduction of a waste levy in QLD, have combined to produce a material shift in the regulatory landscape. These factors have elevated waste as an important strategic and material risk for organisations, governments, shareholders and the general public. It is expected that government and industry regulatory bodies will play an increasing role within the waste management landscape in Australia going forward. The challenges facing our industry provide opportunities for BINGO to help shape and improve the landscape in Australia for future generations. By making changes, we are working to mitigate future risks, uncover opportunities and be stewards for sustainable growth.

BINGO also believes waste to energy has an important part to play in Australia’s move to a circular economy and can have an important role in resource recovery. It provides an opportunity to extract value from residual waste, thereby increasing our resource recovery rates and diverting 90% of waste from landfill. The benefits of waste to energy include:

- net reduction in greenhouse gases;
- increased resource savings;
- improved diversion from landfill;
- reduced transport of waste; and
- power generation from residual waste.

Strategy and Outlook (continued)

Table 11: Summary of Economic and Market Headwinds and Tailwinds

	Headwinds	Tailwinds
Economic	• COVID-19 impact on operating environment with closure of non-essential businesses. • Near-term economic recession and reduction in migration.	• Robust economy – well placed to recover from the economic impact of COVID-19, including forecast medium-term economic and population growth.
B&D Market	• Headwinds in construction activity – decline in construction activity is anticipated across residential and non-residential construction. Rebound in residential construction activity pushed out by ~12 months, to mid to late 2021. • Increased pricing pressure from competition in B&D Collections and Post-Collections – as volumes are impacted by COVID-19. • Timing lag between announced infrastructure projects and commencement – significant pipeline of announced projects expected to commence construction over the next 24 months.	• Strong existing infrastructure investment – federal commitment of $100 billion and state government infrastructure funding ~$125 billion of committed government funding in NSW and VIC ($71 billion in NSW and $53 billion in VIC) over the next 4 years. • Further fiscal stimulus likely to boost economic activity post COVID-19 through essential infrastructure and small to medium construction activity. BINGO is well positioned to benefit from fiscal responses across government and end-to-end construction. • Strength of BINGO's network of vertically integrated waste infrastructure assets. • Potential closure of competing NSW non-putrescible landfills expected over the next 5 years may increase BINGO landfill volumes significantly.
C&I Market	• C&I impacted by COVID-19 restrictions – shopping centres, hospitality, and property services end-markets impacted the most by COVID-19 restrictions.	• Growing waste generation – BINGO is exposed to both cyclical and defensive end-markets. • Scope to build market share in C&I business – BINGO currently has ~5% market in NSW and <2% in VIC.[10]
Regulatory	• Exposure to changes in the regulatory environment including greater involvement from government and regulatory bodies and implications for compliance costs. • Viable near-term end-markets for recycled products – subject to local markets for BINGO's recycled products and ECO product (building and landscape supplies manufactured from the materials collected at the recycling centres).	• Supportive regulatory environment for recycling – federal and state policies supportive of recycling. Increase in VIC levy to $85.90, with set increases to $125.90 within 2 years. • Maturity of the Australian waste market – ripe for disruption through innovation and investment in technology. • The Circular Economy – the push to scale up and accelerate the development of a Circular Economy in Australia will increase the need for BINGO's recycled content.

[10] *BINGO Management estimates.*

Strategy and Outlook (continued)

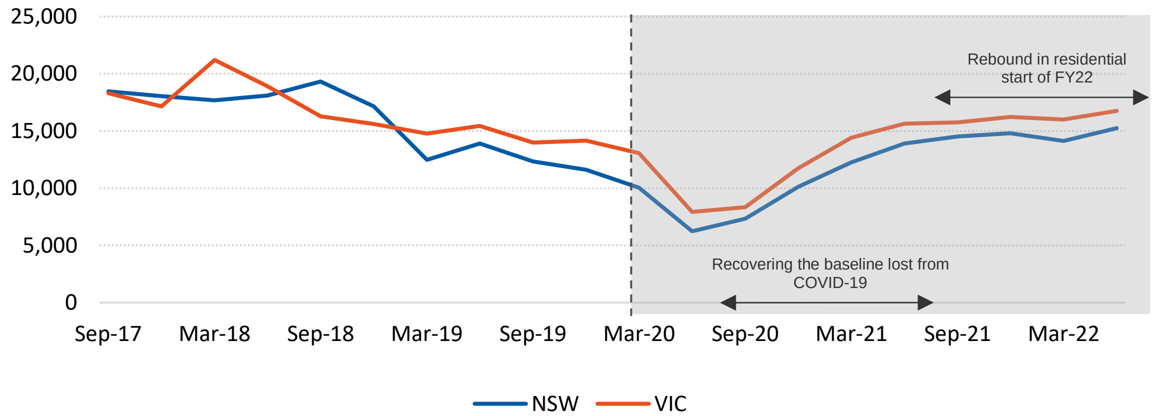
Table 12: Government policy and the regulatory environment continue to pivot towards BINGO's recycling-led business model

Regulatory Dynamic		Implication for BINGO
Ban on Waste Exports	The Council of Australian Governments ("**COAG**") has banned the export of waste plastic, paper, glass and tyres progressively from 2021, which will support the development of a more robust domestic recycling capability.	• State and federal governments are conducting industry inquiries and preparing waste strategies and incentives which will further encourage investment in domestic recycling. BINGO continues to contribute to these inquiries/strategies.
Waste Disposal Levies	State waste disposal levies are expected to increase to help incentivise recycling and dis-incentivise sending waste to landfill.	• QLD and SA levy increases were implemented in 2019. • BINGO is expected to benefit from a VIC levy increase from 1 January 2021 to $85.90 with further increases to $125.90 within 2 years.
Recycled Content Targets	The Federal Government is preparing to unveil ambitious new targets for recycled products requiring all States and Territories to spend a portion of their procurement budgets on recycled materials for public projects.	• BINGO produces over 500k tonnes of recycled products contributing ~4.0% of the Group's revenue. This will likely increase over the medium term as recycled products are mandated for new developments.
EPA Compliance Focus	There is heightened focus from the EPA on raising and enforcing higher compliance standards for the waste industry (i.e. fire, environmental etc.).	• Higher minimum standards for compliance increase barriers to entry.

Residential construction

Most residential lead indicators forecast a fall in construction activity in FY21 before recovering to pre-COVID-19 levels in FY22 to FY23 and beyond. Following a sustained period, demand is expected to build faster and drive a steeper recovery which will be assisted by numerous stimulus measures in FY22, with forecasts of a significant uplift in new starts[11].

Chart 3: Residential building commencements forecast (QoQ)



Source: BIS Oxford Economics

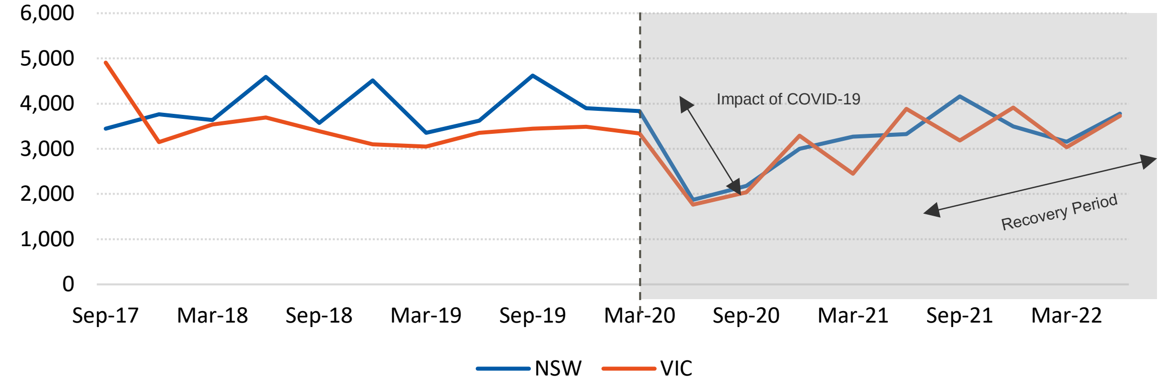
[11] BIS Oxford Economics.

Strategy and Outlook (continued)

Non-residential construction

Non-residential commercial construction activity is expected to soften in the short-term due to the impacts of COVID-19 on business confidence and private sector investment. However, growth in non-residential health and education construction is well supported by funding commitments from state governments. The recovery in non-residential construction is expected to be gradual but may accelerate once the pandemic is brought broadly under control and business and economic confidence returns to pre-COVID-19 levels.

Chart 4: Value of private non-residential commencements ($'m)



Source: BIS Oxford Economics.

Infrastructure construction

BINGO remains well positioned to benefit from the pipeline of significant projects announced and underway in most states across Australia. NSW and VIC state governments have committed a combined $125 billion to infrastructure projects over the next four years (representing 68% of total infrastructure funding)[12]. Some of the major projects across NSW and VIC include the Inland Rail Project (NSW and VIC), WestConnex (NSW) and North East Link (VIC). The strong infrastructure pipeline is expected to support B&D infrastructure waste volumes over the short to long-term, with BINGO securing several supplier agreements for waste management services to these projects.

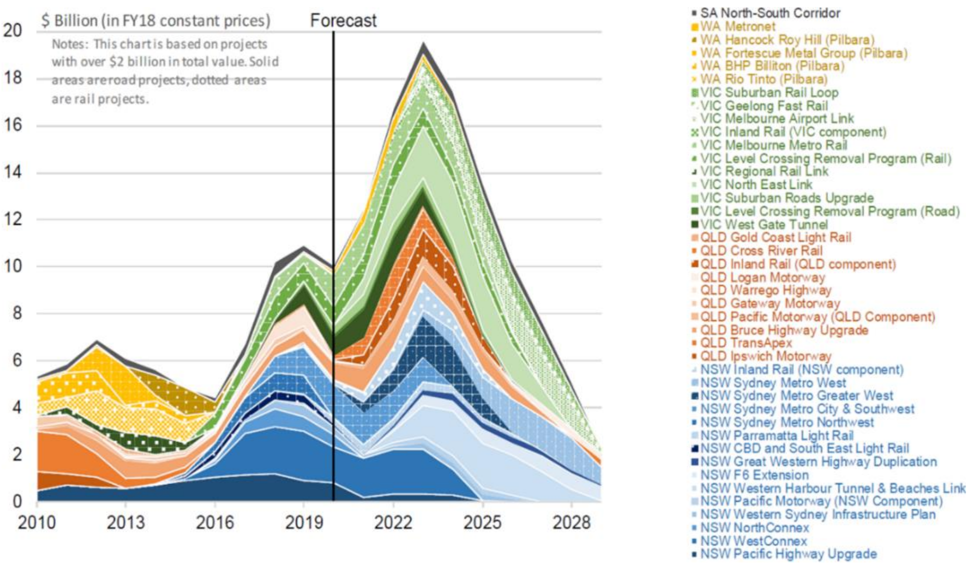
The Australian Government is also considering opportunities to fast-track spending on infrastructure construction. Further fiscal stimulus may stimulate the economic turnaround post-COVID-19 through essential infrastructure and small to medium construction underpinning jobs and supporting the economy. In NSW, the State Government has already announced the fast tracking of 24 'shovel-ready' projects worth $7.5 billion. In VIC, the State Government has announced circa $2 billion in additional stimulus for student accommodation, social infrastructure and rail/track work, with more expected to follow.

Notwithstanding the strong pipeline of projects, there have been timing lags in commencements of some projects and this is expected to continue in the short-term. Over the medium-term many commentators believe infrastructure activity is expected to ramp up beyond current levels, as shown in Chart 5 below.

[12] Australian Infrastructure Budget Monitor 2019-20

Strategy and Outlook (continued)

Chart 5: Major Transport Projects (Over $2 billion)



Source: BIS Oxford.

<u>C&I</u>
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 and population growth. NSW and VIC remain the two largest economies in Australia. However, economic growth in Australia is expected to moderate over the next 12 months, in line with the global growth outlook due to the impacts of COVID-19. BINGO currently holds an estimated market share of ~5% and <2% in NSW and VIC respectively. BINGO aims to continue to gain market share through the cycle by leveraging its integrated Post-Collections network and market leading recovery rates, BINGO's on-line tracking system and customer portal "BINGO Live" and TORO's capabilities in the delivery of high-quality bins and waste equipment to newly contracted customers. BINGO Commercial is targeting organic growth to achieve 40% of total Collections revenue over three years.

Environment, Social & Governance

As a leading recycling and waste management company, BINGO's business model is intrinsically linked to sustainability. We are committed to maintaining strong environmental, safety and governance (ESG) standards within our operations and driving social change through stakeholder engagement and innovation.

Our vision is 'Pushing for a waste free Australia.' This vision informs our business strategy to divert materials from landfill through a recycling-led solution, investment in technology and continuous innovation to enhance sustainability outcomes and maximise returns.

We are committed to contributing to the circular economy through the recovery of materials and our recycled product range Eco Product. We are proud to be supporting the Australian Circular Economy Hub being led by our sustainability partner Planet Ark. For the fourth consecutive year, we have voluntarily undertaken an independent audit of our recovery rates demonstrating a NSW Advanced Recycling audit average recovery rate of 83% in FY20 (FY19: 77%), in line with our target of greater than 75%. To achieve our vision, we continue to invest in advanced recycling technology and the development of our master asset, our Recycling Ecology Park at Eastern Creek in Western Sydney's growth precinct. In FY20 this development reached a significant milestone in the construction of our MPC 2, which will allow us to further enhance our recovery and recycled product manufacturing capabilities.

BINGO is committed to minimising harmful impacts on the environment and people. To this end, ESG governance is overseen by our Board's Zero Harm sub-committee and all BINGO sites manage our environmental and safety responsibilities through BINGO's ISO accredited Safety, Environment and Quality management systems.

We have continued our work to assess and respond to climate change through defining our position within our Climate Change Statement and aligning our climate reporting to the Task Force on Climate-related Financial Disclosures (TCFD). We have also taken steps this year to assess potential modern slavery risks within our supply chain and will publish our first Modern Slavery Statement before the end of 2020, in line with the requirements of the Australian Government's Modern Slavery legislation. We are committed to ensuring that human and labour rights and environmental outcomes are protected. We are also focused on gearing our employment and procurement activities toward spending with Indigenous and social enterprises.

Strategy and Outlook (continued)

BINGO has made solid progress against our INNOVATE Reconciliation Action Plan with over 60% of actions on-track or achieved. This includes the development of training in diversity and anti-discrimination, a review of cultural learning needs and development of cultural protocols, targeted engagement of indigenous suppliers and new employees, educating employees in the significance of cultural protocols and the creation and implementation of a statement promoting the rights of First Nations peoples within the BINGO's Human Rights Statement.

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

Key sustainability highlights:

Environment

- Achieved average target resource recovery rate of 83% across BINGO's NSW Advanced Recycling network.
- Progressed alignment of climate risk disclosures to the TCFD and commenced developing a Science Based Target Approach.
- Established BINGO Innovation Hub.
- Became major partners of the Australian Circular Economy Hub lead by Planet Ark.

Social

- Achieved target Lost Time Injury Frequency Rate of 0.4.
- Achieved target employee engagement score of 80%.
- Made solid progress against our INNOVATE Reconciliation Action Plan with over 60% of actions on-track or achieved.
- Continued to drive policy and social change through our stakeholder engagement program.
- Engaged with 2,434 school students through BINGO's Recycling Schools Education program.

Governance

- FY19 Sustainability Report awarded Gold for *Sustainability Report of the Year* and FY19 Annual Report awarded silver for *Annual Report of the Year* at the Australasian Reporting Awards.
- BINGO awarded Australasia Supply Management Award (CIPS) 2020 for excellence in supply chain risk management to assess modern slavery risk.
- Improved supplier diversity, onboarding six social enterprises and diverse suppliers, including three Indigenous-owned suppliers through our work with Social Traders.

Outlook and guidance

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

In the near term COVID-19 environment, in addition to protecting our employees, immediate focus will remain on protecting existing volumes and remaining disciplined with operational expenditure, cash management and capital outlays.

- Post-Collections revenue in NSW for July and early August (both volumes and rate) have improved on the March to June period, however Collections volumes and pricing remain constrained but have stabilised.

- In VIC, July Collections revenue remained consistent with Q4 FY20 with Post-Collections revenue slightly down due to lower rates being achieved. Overall the volumes into the Victorian business remained robust though have more recently been impacted by the August lockdown.

Directors' Report

Significant Changes in the State of Affairs

Debt refinance and covenant amendments

On 23 August 2019, the Group increased its total commitment under the Syndicated Facility to include the $100 million accordion facility, bringing the total facility commitment value to $500 million. The Facility maturity date, pricing, and terms and conditions of the facility remain unchanged. The Syndicated Facility is secured against the operations and assets of the Group. Also, in support of the Group's strong FY20 financial results and improved net gearing levels in H2 FY20, the Banking Syndicate has increased the Total Leverage Ratio for December 2020 in response to the ongoing COVID-19 pandemic. BINGO expects to refinance the existing facility in H1 FY21.

Sale of Banksmeadow Facility

On 28 February 2019, the Australian Competition and Consumer Commission (ACCC) announced that they would not oppose BINGO's proposed acquisition of DADI after accepting a court-enforceable undertaking to divest its Banksmeadow recycling facility.

On 25 September 2019, BINGO executed a sale agreement for the divestment of its Banksmeadow facility to CPE Capital under the terms of the court-enforceable undertaking of 28 February 2019, which was required to support the acquisition of DADI. Completion of the sale occurred on 9 October 2019, with BINGO realising a gain on sale of $22.4 million.

KMP Changes – Chief Financial Officer

On 13 November 2019, BINGO announced that Anthony Story was retiring and would be stepping down from his role as Chief Financial Officer. Chris Jeffrey, previously Chief Development Officer, undertook an expanded role to include Chief Financial Officer. As previously announced, Anthony continues to support the business and will remain available throughout CY20 as required.

Matters Subsequent to the End of the Financial Year

Final dividend

On 25 August 2020, the Directors of the Company declared a final dividend on ordinary shares with respect to the year ended 30 June 2020. The total amount of the dividend is $9.8 million, which represents a fully franked dividend of 1.5 cents per share. The dividend has not been provided for in the financial statements for the year ended 30 June 2020.

Likely Developments and Expected Results of Operations

Post the COVID-19 pandemic, 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, recycling and landfill. Through the cycle, the Group expects earnings growth and cash flows to continue as a result of continued organic growth across its diversified customer base and recent and ongoing investment across its network to expand operational capability and geographical reach.

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 Department of Planning, Industry and Environment instituted proceedings in the Land & Environment Court against BINGO for an exceedance of throughput limit in 2017 in respect of the Kembla Grange facility acquired by BINGO in May 2017. As the matter is still before the court, it is not possible to foreshadow the penalty that may be imposed. However given recent comparable cases, BINGO is of the view that any penalty will not be material to earnings.

Kingston Council have instituted proceedings against BINGO due to a divergence of views on the scope of the permit to use the land. The matter is listed for a two-day hearing in October 2020. Notwithstanding this divergence in interpretation, BINGO has already lodged an application with Council to initiate works at the site which would resolve the points of divergence.

During the reporting period, the Environment Protection Authority (EPA) concluded proceedings against Minto Recycling Pty Ltd in respect of throughput exceedances in 2016-17. Following a ruling by the Land and Environment Court of NSW on 13 December 2019, BINGO was fined $90,000 and was required to pay NSW EPA legal costs related to BINGO's breach of its Environment Protection Licence (EPL) for its Minto recycling facility.

Environmental Regulation (Continued)

On 1 February 2020, a fire broke out at the recycling and landfill facility at Eastern Creek. No one was injured in the incident and Fire and Rescue NSW had it quickly contained. The Fire and Rescue NSW report indicated that the cause of the fire appears to have been the result of a grass fire started in the landfill from a possible ember from the significant bush fire activity around Eastern Creek (and Sydney) on that day. The chute from the materials processing centre suffered some damage. The incident is covered under the Group insurance policy and the Group expects to fully recover the costs incurred in repairing the damage. The incident did not materially impact the financial performance of the Group.

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.

Table 13

Name	Particulars
Michael Coleman *Chair* *Non-Executive Director* *FAICD, FCA, FCPA* Member of the People and Culture Committee	• Previously a senior audit partner with KPMG for 30 years with significant experience in risk management, financial and regulatory reporting and corporate governance. • Currently a Non-Executive Director and Chairman of the Audit Committee at Macquarie Group Limited, Board Member and Chairman of the Audit, Risk and Compliance Committee 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 of Cancer Medicine and Cell Biology and Board member of the Belvoir St Theatre Foundation.
Maria Atkinson AM *Non-Executive Director* *BAppSc, GAICD* Chair of the People and Culture Committee 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 Eastern District Commissioner for the Greater Sydney Commission and in the not-for-profit sector as Founding Chief Executive Officer of the Green Building Council of Australia. • 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.
Daniel Girgis, CFA *Non-Executive Director* *AppFin, Bcom - ActStud* Member of the Audit and Risk Committee	• Daniel has had an involvement with BINGO for almost a decade. He 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. • Daniel's 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.

Information on Directors (Continued)

Table 13 (continued)

Name	Particulars
Ian Malouf *Non-Executive Director*	• Ian joined the Board in March 2019 following the completed acquisition of DADI 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, Churchill Fellow* Chair of the Zero Harm Committee Member of the People and Culture Committee (from 13 November 2019)	• Environmental Consultant • Extensive career in the public and private sector, most recently holding the role as Chairman and CEO of the NSW 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.
Elizabeth Crouch AM, *Non-Executive Director* B.Ec, FAICD Chair of the Audit & Risk Committee Member of the Zero Harm Committee (appointed on 4 October 2019)	• Elizabeth is Chair of the Customer Owned Banking Association, the Sydney Children's Hospital Network and SGS Economics and Planning and is a non-Executive Director of ReadyTech Holdings. • Elizabeth is also on the Boards of Health Infrastructure and the NSW Institute of Sport. She chairs the Audit and Risk Committee for the City of Sydney and IPART and is the chair of a national cyber security organisation, the Australian National Cyber Security Institute. • Elizabeth is the former Chief Executive of the Housing Industry Association and Emeritus Deputy Chancellor of Macquarie University. Her previous non-executive roles were with Chandler Macleod Group, McGrath Estate Agents, RailCorp and Macquarie University Hospital.
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 15 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 DADI 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.
Richard England *Non-Executive Director* *FCA, MAICD* Chair of the Audit and Risk Committee Member of the People and Culture Committee (Resigned effective 13 November 2019)	• 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.

Directors’ Meetings

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

Table 14

	Board Meetings		Audit and Risk Committee		People and Culture Committee		Zero Harm Committee	
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(i)	16	16	-	-	4	4	-	-
Maria Atkinson AM(ii)	16	15	6	6	4	4	4	4
Elizabeth Crouch AM(iii)	12	12	3	3	-	-	2	2
Daniel Girgis	16	15	6	6	-	-	-	-
Ian Malouf	16	13	-	-	-	-	-	-
Barry Buffier AM(iv)	16	16	-	-	2	2	4	4
Daniel Tartak	16	16	-	-	-	-	-	-
Richard England(iii)	6	6	3	3	2	2	-	-

(i) Chair of the Board. As Chair, Mr Coleman attends all Committee meetings.
(ii) Chair of People and Culture Committee.
(iii) Chair of Audit and Risk Committee. Mr England resigned on 13 November 2019.
(iv) Chair of Zero Harm Committee. Appointed to People and Culture Committee on 13 November 2019.

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 2020 are as follows:

Table 15

Directors	Ordinary Shares	Performance Rights over Ordinary Shares
Michael Coleman	202,272	-
Maria Atkinson AM	85,000	-
Daniel Girgis	55,555	-
Ian Malouf	79,836,835	-
Barry Buffier AM	120,000	-
Daniel Tartak	129,613,417	697,298
Elizabeth Crouch AM(i)	4,000	-

(i) Appointed Director on 4 October 2019

Shares Under Option

During the year ended 30 June 2020 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 2020 financial period are set out in the Remuneration Report. Total performance rights outstanding as at 30 June 2020 are 4,360,257 (2019: 2,989,230). Performance rights outstanding at the date of this report are 4,189,352.

Shares Issued on the Exercise of Performance Rights

During the year ended 30 June 2020 and up to the date of this report, the Company issued 170,912 shares as a result of the exercise of performance rights that vested during the year (2019: 1,073,683 issued in the period 1 July 2018 to 22 August 2019).

Indemnity and Insurance of Officers

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

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

Rounding of Amounts

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

Indemnity and Insurance of Auditor

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

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

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 34 to the financial statements.

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

The Directors are of the opinion that the services as disclosed in Note 34 to the financial statements do not compromise the external auditor's independence, based on advice received from the audit committee, for the following reasons.

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 45.

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

25 August 2020
Sydney

Remuneration Report

A message from our Chair of the People & Culture Committee

Dear Shareholder

Culture centred around 'The BINGO Way' for our entire organisation requires engaging with the emotions and skills of our workforce in order to support the desired BINGO family focus. It has been a transformative year. Completing the integration of Dial-A-Dump Industries ('DADI') was the priority for 2020 and pleasingly, our incorporation has been very successful. Our 'One Team, One Family' conviction has enabled our people to respond effectively to the challenges faced in the past year. We know that engaged employees who are responsive to the business strategies and needs are critical to our success. One measure of employee engagement is the reply rate to an employee survey – this year 82% of our people responded to our May survey. In addition to effective engagement, we have continued to develop greater depth in our succession pipeline with our leaders nominating capable and verified talent to succeed in Executive Leader roles over short medium and long term horizons. Our investment in talent over the past 3 years is affording us positive results in our growth as an organisation.

Our pledge to safety and a commitment to the wellbeing of our team of GOgetters, our customers and the communities in which we work, is our number one priority. We strive for an incident free, zero harm workplace and maintaining a safe culture is fundamental to who we are. As reflected in our Chief Executive Officer's (CEO) Key Performance Indicator (KPI) scorecard, we have improved safety, wellbeing and behaviour management performance. Much of this improvement is from the integration of our safety goals across our management systems and reporting and engagement initiatives while igniting a culture of continual improvement in what we do and how we do it. We have also seen improvements and innovations to how we avoid and manage our risks and we continue to look to best practice and challenge our GOgetters to do more and do better in the area of safety.

Financial Year 2020 was a particularly challenging year for our people, with the unprecedented disruption of COVID-19. Nevertheless, our results speak to positive impacts in culture and on performance and to the resilience of our organisation – although this is being tested daily. Despite the operational and personal impacts of the COVID-19 pandemic we have outperformed on all Safety and Quality KPIs. We have also made strong progress in the area of Environment, although we experienced a serious environmental incident at our Eastern Creek facility which has been responded to in the outcomes of CEO performance. Since our last report to you, we have implemented and leveraged our investment in a new Human Capital Management System across the organisation, and we provided extra attention to our customers and delivered against our strategic initiatives. Recognition of these achievements is embedded in our remuneration philosophy and practices.

Group underlying EBITDA margin expanded, driven by the network reconfiguration program, DADI synergies and NSW price rises. Outperformance in our Underlying EBITDA Margin was achieved ahead of schedule - now at 31.3%. Solid Earnings Per Share (EPS) growth was also achieved up from 3.9 cents per share to 10.1 cents per share, (7.7 cents per share excluding gain on sale of the Banksmeadow facility of $22.4 million).

Our contemporary approach to reward has played a critical role in motivating leaders to achieve objectives that are key to the success of the business and complement the financial performance targets. We seek to drive collaborative behaviour, out-performance, alignment of activities and responsibilities and have set targets that are considered to be financial and non-financial in their performance measurement. Our holistic system for managing strategy encourages sustainable growth that delivers shareholder returns and have positive impacts on the communities in which we operate. We acknowledge through our balanced scorecard weightings that non-financial components are meaningful inputs to organisational performance and directly influence financial outcomes.

The Board's reward and remuneration decisions for Senior Executives reflect the overall performance of the business for the year and is being regularly reviewed to respond to the impacts of the COVID-19 pandemic on individuals and the business. Highlights of our considerations include our first Long Term Incentive performance review which was scheduled for July 2020, being tranche 1 of the Financial Year 2018 Long Term Incentive Plan. As our EPS measure is relative, based on advice from experts, our assessment will be undertaken following the release of the results of the comparator group (S&P/ASX Industrials). More detail on this is contained in the Remuneration Report.

We remain committed to ensuring a disciplined approach to pay for performance and this is reflected in the outcomes of this year's awards. In an unpredictable environment we have awarded Short-Term Incentive outcomes via performance rights in order to preserve cash. The rewards support our talented leaders and recognises their strong performance this financial year under difficult circumstances.

On behalf of the People and Culture Committee, I present to you the BINGO Remuneration Report for the Financial Year 2020.

Maria Atkinson AM
Chair, People & Culture Committee

Remuneration Report (audited)

Contents

Remuneration Report (audited)

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

The remuneration of Key Management Personnel (KMP) for the Group is disclosed in this Report. The following Executives and Non-Executive Directors are considered KMP for the year ended 30h June 2020 and are covered by this report.

Table 1

Name	Position	Term as KMP
Managing Director & Chief Executive Officer		
Daniel Tartak	Managing Director and Chief Executive Officer	Full Year
Current Senior Executive Leaders		
Chris Jeffrey	Chief Development Officer (to 13 November 2019) Chief Financial Officer (from 13 November 2019) (i)	Full Year
Geoffrey Hill	Chief Executive - VIC	Full Year
Rodney Johnson	Chief Executive - Building & Demolition NSW	Full Year
Former Senior Executive Leader		
Anthony Story	Chief Financial Officer (ii)	Ceased in KMP role 29 February 2020
Current Non-Executive Directors		
Michael Coleman	Chair, Non-Executive Director	Full Year
Maria Atkinson AM	Non-Executive Director	Full Year
Daniel Girgis	Non-Executive Director	Full Year
Barry Buffier AM	Non-Executive Director	Full Year
Ian Malouf	Non-Executive Director	Full Year
Elizabeth Crouch AM	Non-Executive Director	Appointed 4 October 2019
Former Non-Executive Director		
Richard England	Non-Executive Director	Ceased in KMP role 13 November 2019

(i) On 13 November 2019 Chris Jeffrey took on an expanded role combining the Chief Financial Officer role with his existing responsibilities.
(ii) Anthony Story retired as Chief Financial Officer for BINGO effective 29 February 2020.

Remuneration Report (audited)

2. Our Rewards Framework & Philosophy

We recognise that our people performance drives the outcomes for our organisation and that we have built a strong pipeline of talent to be grown and retained. Paramount to this success is the implementation of our Rewards & Recognition Program, ensuring that all employees, Executives to frontline, are recognised and rewarded commensurate to their inputs.

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.

It is essential to us that this program continues to honour our strong history of reward and recognition, balanced with new practices and aligned to shareholder interests.

Chart 1

Non-Executive Director Remuneration

No changes have been made to the Non-Executive Director remuneration framework during FY20. However, Directors volunteered to reduce their fees paid by 20% for the last quarter. Because of the COVID-19 pandemic, the Board has met more often than the schedule of meetings to review, discuss and support leaders.

2. Our Rewards Framework & Philosophy (Continued)

Non-Executive Director Remuneration (Continued)

The following table describes the previously adopted framework for Non-Executive Director Remuneration.

Table 2

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.

Non-Executive Directors have elected to implement the best practice of acquiring a minimum BINGO shareholding 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 initiative. Director shareholdings are disclosed in Section 5 of this report.

The Board fee cap for Non-Executive Directors remains at $1.5 million.

Table 3

		Short-term benefits (i)		Post employment benefits	Long-term benefits		
Name	Year	Cash salary and Fees	STI	Superannuation	Long service leave	Share based payments	Total Paid
Non-Executive Directors							
Michael Coleman	2020	$ 209,000	-	-	-	-	$ 209,000
	2019	$ 197,500	-	-	-	-	$ 197,500
Maria Atkinson AM	2020	$ 142,500	-	-	-	-	$ 142,500
	2019	$ 131,425	-	-	-	-	$ 131,425
Daniel Girgis (ii)	2020	$ 114,000	-	-	-	-	$ 114,000
	2019	$ 120,000	-	-	-	$ 39,315	$ 159,315
Barry Buffier AM	2020	$ 129,370	-	-	-	-	$ 129,370
	2019	$ 107,849	-	-	-	-	$ 107,849
Ian Malouf (iii)	2020	$ 104,500	-	-	-	-	$ 104,500
	2019	$ 27,500	-	-	-	-	$ 27,500
Elizabeth Crouch AM (iv)	2020	$ 93,164	-	-	-	-	$ 93,164
	2019	-	-	-	-	-	-
Richard England (v)	2020	$ 51,653	-	-	-	-	$ 51,653
	2019	$ 130,000	-	-	-	-	$ 130,000
Total	**2020**	**$ 844,187**	**-**	**-**	**-**	**-**	**$ 844,187**
Total	**2019**	**$ 714,274**	**-**	**-**	**-**	**$ 39,315**	**$ 753,589**

(i) Includes a voluntary 20% reduction in fees taken from 1 April 2020.
(ii) 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.
(iii) Ian Malouf appointed 29 March 2019.
(iv) Elizabeth Crouch appointed 4 October 2019.
(v) Richard England resigned effective 13 November 2019.

2. Our Rewards Framework & Philosophy (Continued)

Senior Executive Leader Remuneration

Our goal has been to provide a remuneration framework that attracts, retains and motivates a high quality and experienced leadership 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 and whilst we will always look for new and emerging talent to engage, our talent baseline has grown significantly, and we are now in a transition phase shifting to building and retaining talent, rather than employing.

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 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 commensurate organisations. Our key components provide a mix of fixed and variable (at risk) pay and short and long-term incentives.

Table 4

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. Typically, median pay is our target.
Short-Term Incentive	Annual, variable at risk opportunity, linked to the achievement of specific objectives in a given performance period. It is designed to encourage achievement and outperformance against annual targets that contribute to enterprise value. Targets are communicated at the start of the performance period as part of a balanced scorecard 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 typically 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 and the plan rules. The plan has an inbuilt clawback mechanism at the discretion of the Board. This financial year, no Short-Term Incentive cash payments will be awarded due to the impacts of COVID-19. Incentives earned will instead be awarded as deferred performance rights - vesting 50% at 6 months and 50% at 12 months subject to the employee remaining employed with BINGO and other plan rules. Our 'On Target' performance pays at 75% of entitlement, however, this year's allocated awards have been capped at 65% and scaled proportionately downwards for those scoring beneath 65%. This reduction was seen as prudent to reflect the impact of COVID-19 on the Australian share market and consequently BINGO shareholders.
Long-Term Incentive	Annual grant of performance rights to Executive Leaders that encourages alignment with shareholder interests. Performance rights vest over a 3 and 4 year period - in two tranches. The 2017, 2018 and 2019 Long-Term Incentive Plans are subject to relative Total Shareholder Return (TSR) and relative Earnings Per Share (EPS) hurdles weighted at 50% each. The proportion of vesting is dependent on BINGO Group's performance against these hurdles with 100% vesting only occurring if an outperformance target is met. The 2020 and 2021 Long-Term Incentive plans changed in response to feedback from Shareholders and are subject to Return on Capital Employed (ROCE) and relative TSR hurdles, weighted at 50% each. **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 BINGO's compound annual growth rate relative to the EPS compound annual growth rate of the S&P/ASX 300 Industrials. **ROCE** If ROCE reaches target and is at least Weighted Average Cost of Capital (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. If ROCE is less than target, no vesting will occur.

Remuneration Report (audited)

Component	Description
	TSR Between 50% and 100% of the performance rights subject to the TSR hurdle will vest on a straight-line proportional basis if BINGO'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 BINGO's TSR is at, or below the 50th percentile. Actual performance over the qualifying period applicable to each performance hurdle will determine the level of vesting against that hurdle. The close of FY20 signals the first testing of Long-Term Incentive awards being Tranche 1 of the FY18 plan. Because the EPS measure is relative for the performance period FY18 - FY20, testing and any subsequent vesting of these awards will not take place until the S&P/ASX 300 Industrials peer group results for the performance period have been released - anticipated to be September 2020. Long-Term Incentive awards do not carry the right to a cash dividend prior to the vesting date. Long-Term Incentive performance rights do not entitle the holders to any voting rights at a meeting of shareholders.
Transaction Bonus	A Transactional Bonus was paid during the 2017 year following the completion of BINGO's 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 was $1.80, which reflected 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 four-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, promotes retention, and encourages a longer-term view in our decision making and impact initiatives.

Table 5

Component	Year 1	Year 2	Year 3	Year 4
Fixed Remuneration				
Cash STI/Transaction bonus				
Deferred STI 1 Year/Transaction bonus				
LTI 3 Year Performance Period				
LTI 4 Year Performance Period				

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 the business, employees and shareholders. Discretion has been applied to balance the impacts of COVID-19 on Executive performance where some targets may not have been met, however overall performance has been strong.

Board

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

During FY20 there were some changes to the remuneration structure of our Chief Financial Officer (CFO), Chris Jeffrey who was appointed to an expanded role during the year. The process of reviewing and rewarding increases to fixed or variable pay opportunities for the CFO was undertaken with an independent consultant, the resultant remuneration is detailed in section 4. No other changes to executive KMP remuneration have been made. The Board is committed to providing competitive rewards that attract and retain talent and compensate Executive Leaders commensurate with the progress and growth of BINGO.

3. Governance (Continued)

The People & Culture Committee

Our People and Culture Committee works with Executive Leaders to present information and make recommendations to the Board. The Committee assists the business and the Board by developing and reviewing organisation policies and practices including remuneration as well as challenging leaders to continually review and revise remuneration targets and approaches to ensure they are contemporary and market leading

Executive Leadership

Our Executive Leadership Team (ELT) is responsible for leading the implementation of initiatives designed to inspire people to be their best. The ELT provides feedback on organisational practices and uses data and qualitative assessments to provide insight into culture and organisational performance – including the effectiveness of the rewards program. The ELT has input into and makes recommendations to the People and Culture Committee in relation to Executive Remuneration and has done this with the advice and support of subject matter experts to continuously improve our program.

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 review and discussion prior to recommendations going to our Board for its decision.

Determining Executive Rewards Plans

We continue to use independent data and advice in the annual evaluation of our Executive Leaders remuneration and benefits. It is important to ensure they are fairly compensated for their contribution and responsibilities as BINGO grows. 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. Our plan is that the remuneration review will extend to all our employee categories.

4. Executive Remuneration – Performance, Outcomes & Disclosures

2020 Group Performance Highlights

The FY20 year was on track to deliver on our strategy prior to the impact of the COVID-19 pandemic. However, despite the unprecedented challenges presented by the pandemic, our leaders responded strongly - adjusting to new working conditions and helping customers, resulting in the majority of outcomes against stated objectives and targets being achieved and gates being strictly maintained.

The following performance metrics provide an illustrative snapshot of achievements:

- Safety Lost Time Injury Frequency Rate (LTIFR) of 0.40 as at 30 June 2020. This is a decline from 0.85 in FY19. No Lost Time Incidents were recorded in Q4 of FY20.
- Successful implementation of our new Human Capital Management System – GOpeople.
- Strong employee engagement was maintained with +80% engagement score for the organisation. This was particularly encouraging given the survey was undertaken in May 2020, the height of the pandemic.
- Strong strategic execution:
    - Completion of DADI integration, including the divestment of the Banksmeadow asset.
    - Increased capacity of network to 4.6 Mt per annum including being granted a 24-hour licence for our West Melbourne and Eastern Creek Recycling Centres.
    - 100% internalisation of non-putrescible waste.
    - Swift mitigation actions to minimise the impact of the COVID-19 pandemic - including proactive measures to ensure the safety of our people and customers; initiatives to lower capital expenditure; reduction in salaries by 20% until 30 June 2020 and a pay freeze for salary employees for FY21.
    - Significant sustainability objective achievements including the launch of our Reconciliation Action Plan (RAP); increased customer engagement in response to our sustainability credentials; The Gold Award for our FY19 Sustainability Report by the Australasian Sustainability Awards; a Responsible Sourcing Program embedded and awarded an Australasia Supply Management (CIPS) Award for excellence in supply chain risk management to assess Modern Slavery risk.
- Productivity improvements resulting in increased EBITDA margin to +30%.
- Statutory[13] net profit after tax (NPAT) of $66.0 million representing a 196.0% increase against the previous reporting period of $22.3 million. This includes a gain from the sale of the Banksmeadow asset of $22.4 million.
- Strong growth in operating free cash flow of 38.3% to $161.1 million with 106.9% cash conversion for the twelve months ended 30 June 2020. Pleasingly, the cash conversion in the second half of FY20 was 125.2%.

Table 6

Group	Full year ended 30 June 2020 $ millions	Full year ended 30 June 2019 $ millions	Full year ended 30 June 2018 $ millions	Full year ended 30 June 2017 $ millions
Revenue and other income	509.7	402.2	303.8	210.1
Statutory EBITDA	168.8	74.4	84.9	60.6
Statutory NPAT	66.0	22.3	38.0	19.8
EPS	10.1 cents	3.9 cents	9.8 cents	6.4 cents
TSR	3.4%	(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 2020 – Mr Daniel Tartak

Mr Tartak's 'On Target' remuneration is structured as 40.8% fixed and 59.2% at risk. At risk includes 30.6% variable under the Short-Term Incentive component (of which 100% is deferred equity for FY20) and 28.6% Long-Term Incentive component. During the year, strong financial and non financial performance was maintained and operation thresholds were met.

Mr Tartak has achieved 66.65% of the scorecard outcomes. 'On Target' performance is set at 75%. The Board believes this achievement demonstrates significant success in the current unprecedented circumstances. The Board has exercised some discretion in awarding the Short-term Incentives to Mr Tartak and employees due to the impact of the COVID-19 pandemic on revenue targets. As outlined earlier in this report, all Short-Term Incentive Awards resulting from this performance scorecard have been capped at 65% for FY20.

The cash component of the Short-term Incentive awards are to be issued in performance rights. These rights together with the other 50% of the Short-term Incentives will vest 50% in January 2021 and 50% in July 2021.

Remuneration Report (audited)

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

Table 7

Component	Weighting	Description	Outcome	Performance Assessment	% Earnt
ZERO Harm	20%	A combination of stretch & lead metrics that incentivise for prevention & early recognition of SEQ risks & achievement of sustainability goals. Our metrics also benchmark incidents & ensure continued improvement of our safety, environmental & quality impacts & systems.		The Group outperformed against many metrics in this area and through improved communication and change programs strong results were achieved including: • LTIFR of 0.40. • Leader Lead Safety Walks 4,554 achieved against stretch target of 1,800. • 3,012 Hazard and Control Reports conducted against a stretch target of 1,200. • 100% of FY20 Sustainability initiatives achieved. • 2030 Sustainability Goals Established. • The Zero Harm Outcome was scaled back due to a significant environmental incident.	15.75%
Financial	40%	Key financial performance metrics include Revenue, NPAT, EBITDA, Cash Conversion and Net Debt.		• Stat NPAT target achieved $66.0 million • Revenue performance threshold not met. • EBITDA performance threshold - target performance at $152.3 million. • EBITDA Margin target of 30% exceeded. • Cash conversion maximum target exceeded 106.9%. • Leverage ratio between threshold and target performance landing at 2.15 x.	22.40%
People & Culture	20%	Qualitative & quantitative assessments of culture & people performance. Strategic lead & lag metrics incentivise employees to have a positive impact on our culture, demonstrate our values & support attraction & retention.		• Maximum target reached in employee turnover reduction of 7.5%. • Employee Experience score of +80% maintained, however 2% increase in FY19 score not attained. • Succession Planning – bench strength increased in the ready now and within two years categories. • Human Capital Management System implementation complete.	15.12%
Customer	10%	A combination of lead and lag indicators that measure service and quality of service levels.		• Net Promoter Score (NPS) of 8.45 achieved target performance. • Threshold performance met for same day service and Grade of Service. • Significant improvement achieved in queue time at facilities.	5.88%
Strategic Initiatives	10%	Implementation of tactical plans in order to achieve growth objectives and strategic goals.		• Significant progress has been made in the achievement of these initiatives 75% completion.	7.5%

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

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

Summary of Senior Executive Leader Remuneration FY20

Table 8

		Short-term benefits		Post employment benefits	Share based payments			Other Long-term benefits		Fixed	Variable – At Risk	
Name	Year	Cash salary and Fees	STI	Superannuation	STI	LTI	Transactional bonus (i)	Long service leave	Total		STI	LTI
Executive Directors												
Daniel Tartak(ii)	2020	$ 726,407	-	$ 19,791	$ 303,333	$ 279,407	-	($ 182,250)	$ 1,146,688	50%	26%	24%
	2019	$ 731,018	-	$ 20,486	$ 66,131	$ 187,393	-	$ 146,145	$ 1,151,173	78%	6%	16%
Other Executive KMP												
Anthony Story (iii)	2020	$ 328,600	-	$ 14,137	$ 109,083	$ 117,555	-	-	$ 569,375	60%	19%	21%
	2019	$ 397,831	-	$ 20,486	$ 28,391	$ 77,072	$ 49,144	($ 6,197)	$ 566,727	73%	14%	13%
Chris Jeffrey	2020	$ 541,698	-	$ 21,003	$ 227,763	$ 160,603	-	$ 2,708	$ 953,775	59%	24%	17%
	2019	$ 442,639	-	$ 20,486	$ 54,033	$ 98,720	-	$ 25,114	$ 640,992	76%	8%	16%
Geoffrey Hill	2020	$ 373,589	-	$ 20,498	$ 127,401	$ 108,910	-	$ 1,457	$ 631,855	63%	20%	17%
	2019	$ 400,000	-	$ 22,212	$ 30,297	$ 95,172	-	($ 10,195)	$ 537,486	77%	6%	17%
Rodney Johnson (iv)	2020	$ 392,676	-	$ 21,123	$ 124,671	$ 59,852	-	$ 9,099	$ 607,421	69%	21%	10%
	2019	$ 86,154	-	$ 5,133	-	$ 488	-	$ 3,759	$ 95,534	99%	0%	1%
Total	2020	$ 2,362,970	-	$ 96,552	$ 892,251	$ 726,327	-	($ 168,986)	$ 3,909,114			
Total	2019	$ 2,057,642	-	$ 88,803	$ 178,852	$ 458,845	$ 49,144	$ 158,626	$ 2,991,912			

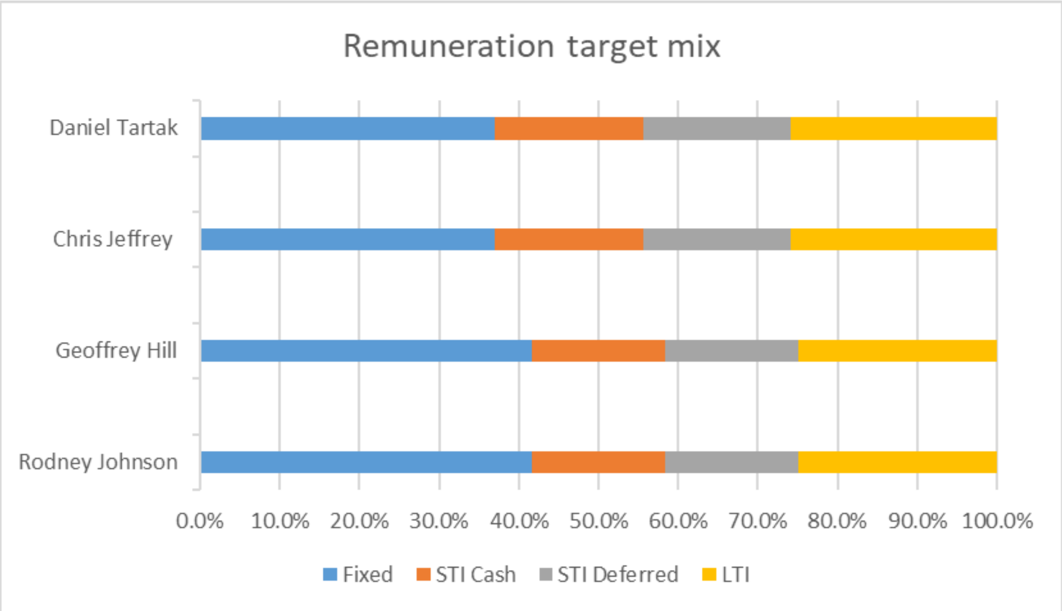
(i) Transactional bonus relates to the completion of the IPO and was paid 50% in cash in 2017 and 50% in performance rights deferred for 2 years.
(ii) Negative long service leave incorporates leave which was forfeited during the period.
(iii) Resigned effective 29 February 2020. Cash salary includes payment of accrued annual leave on termination.
(iv) 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 FY20 (continued)

The graph below shows the target mix of remuneration awarded to our Executive Leaders. A significant proportion of remuneration awarded (approximately 58-62%) falls into the variable, at risk category. This categorisation 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. The Board used its discretion to convert the cash portion of the FY20 STI component to performance rights.

Chart 2



Service Agreements

Table 9

Service Agreements	Position	Contract Duration	Employer Notice Period	Employee Notice Period
Daniel Tartak	Managing Director and Chief Executive Officer	Ongoing	6 months	6 months
Chris Jeffrey	Chief Financial 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

Table 10

Name	Year	Beginning of Year	Granted as an STI	Granted as an LTI	Vested	Forfeited	Balance end of Year
Non-Executive Directors							
Daniel Girgis	2020	-	-	-	-	-	-
	2019	55,555	-	-	55,555	-	-
Executive Directors							
Daniel Tartak	2020	471,121	213,992	264,151	37,974	-	911, 290
	2019	259,281	-	211,840	-	-	471,121
Other Executive KMP							
Chris Jeffrey	2020	270,492	160,679	198,113	31,028	-	598,256
	2019	159,276	-	111,216	-	-	270,492
Geoffrey Hill (i)	2020	211,662	89,877	124,528	17,397	-	408,670
	2019	111,794	-	99,868	-	-	211,662
Rodney Johnson	2020	20,308	87,951	121,849	-	-	230,108
	2019	-	-	20,308	-	-	20,308
Anthony Story	2019	188,716	-	80,386	69,444	-	199,658
Total	**2020**	**973,583**	**552,499**	**708,641**	**86,399**	**-**	**2,148,324**
Total	**2019**	**774,622**	**-**	**523,618**	**124,999**	**-**	**1,173,241**

(i) FY19 opening balance of performance rights for Geoffrey Hill as reported were adjusted following a correction in the number of rights granted.

5. Other Disclosures & Shareholdings (Continued)

Options and Rights

Table 11: Rights held by KMP under the LTI scheme issues and not exercised as at 30 June 2020

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	130,555	-	130,555
13-Apr-17	2	30-Jun-21	130,555	-	130,555
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	105,542	-	105,542
28-Sep-18	2	30-Jun-22	105,541	-	105,541
16-Nov-18	1	30-Jun-21	105,920	-	105,920
16-Nov-18	2	30-Jun-22	105,920	-	105,920
15-Jun-19	1	30-Jun-21	10,154	-	10,154
15-Jun-19	2	30-Jun-22	10,154	-	10,154
6-Nov-19	1	30-Jun-22	-	222,245	222,245
6-Nov-19	2	30-Jun-23	-	222,245	222,245
14-Nov-19	1	30-Jun-22	-	132,075	132,075
14-Nov-19	2	30-Jun-23	-	132,076	132,076
Total			**797,823**	**708,641**	**1,506,464**

A Monte Carlo simulation approach was used to value the LTI awards subject to the relative TSR performance conditions.

5. Other Disclosures & Shareholdings (Continued)

Options and Rights (continued)

Table 12: Movement and value of the performance rights held as at 30 June by each KMP

Name	Year Granted	Number Granted	Rights Price at date of Grant $	Vested %	Forfeited	Year in which shares may vest	Fair value at Grant date $
Executive Directors							
Daniel Tartak	2020	132,076	2.12	-	-	2022	301,792
	2020	132,075	2.12	-	-	2023	297,830
	2020	213,992	2.43	-	-	2021	520,000
	2019	105,920	2.64	-	-	2021	260,034
	2019	105,920	2.64	-	-	2022	261,093
	2018	37,974	2.61	100%	-	2019	96,360
	2018	37,974	2.61	100%	-	2020	96,360
	2017	91,667	1.80	50%	50%	2020	118,249
	2017	91,666	1.80	-	-	2021	114,583
Other Executive KMP							
Chris Jeffrey	2020	99,057	2.12	-	-	2022	184,245
	2020	99,057	2.12	-	-	2023	184,245
	2020	160,679	2.43	-	-	2021	390,450
	2019	55,608	2.64	-	-	2021	136,518
	2019	55,608	2.64	-	-	2022	137,074
	2018	31,027	2.61	100%	-	2019	78,859
	2018	31,027	2.61	100%	-	2020	78,858
	2017	9,722	1.80	50%	50%	2020	12,542
	2017	9,722	1.80	-	-	2021	12,153
	2017	38,889	1.80	50%	50%	2020	50,166
	2017	38,888	1.80	-	-	2021	48,611
Geoffrey Hill	2020	62,264	2.12	-	-	2022	115,811
	2020	62,264	2.12	-	-	2023	115,811
	2020	89,877	2.43	-	-	2021	218,401
	2019	49,934	2.64	-	-	2021	122,587
	2019	49,934	2.64	-	-	2022	123,087
	2018	17,397	2.61	100%	-	2019	45,445
	2018	17,397	2.61	100%	-	2020	45,445
	2018	38,500	2.00	50%	50%	2020	57,009
	2018	38,500	2.00	-	-	2021	56,454
Rodney Johnson	2020	60,924	2.12	-	-	2022	113,319
	2020	60,924	2.12	-	-	2023	113,319
	2020	87,951	2.43	-	-	2021	213,721
	2019	10,154	1.59	-	-	2021	14,368
	2019	10,154	1.59	-	-	2022	14,774

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:

Table 13

Directors	Ordinary Shares	Performance Rights over Ordinary Shares
Michael Coleman	202,272	-
Maria Atkinson AM	85,000	-
Daniel Girgis	55,555	-
Ian Malouf	79,836,835	-
Barry Buffier AM	120,000	-
Elizabeth Crouch AM	4,000	
Daniel Tartak	129,651,391	659,324
Chris Jeffrey	349,022	406,549
Geoffrey Hill	48,556	301,396
Rodney Johnson	100,000	142,157

THIS IS THE END OF THE REMUNERATION REPORT (AUDITED)

Auditor's Independence Declaration

as at 30 June 2020

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

25 August 2020

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 2020, 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

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Revenue	3	478,629	395,739
Other income	3	31,053	6,419
Total revenue and other income		**509,682**	**402,158**
Tipping and transportation costs		(180,541)	(172,074)
Employee benefits expenses	4	(112,113)	(96,489)
Depreciation and amortisation expenses	4	(61,769)	(35,827)
Trucks and machinery costs		(15,441)	(13,012)
Finance costs	23	(11,827)	(6,791)
Acquisition costs		2,249	(21,156)
Rent and outgoings	4	(984)	(3,262)
Capital raising costs		-	(683)
Other expenses		(34,147)	(22,069)
Total expenses		**(414,573)**	**(371,363)**
Profit before income tax		95,109	30,795
Income tax expense	6	(29,095)	(8,530)
Profit for the year attributable to owners of the Company		**66,014**	**22,265**
Earnings per share			
Basic earnings per share	7	10.1 cents	3.9 cents
Diluted earnings per share	7	10.0 cents	3.9 cents

Consolidated Statement of Other Comprehensive Income

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Profit for the period attributable to owners of the Company		**66,014**	**22,265**
Other comprehensive income			
Items that may be reclassified to profit or loss			
(Loss)/Gain on Cash flow hedges	24	(11)	-
Income tax relating to these items		3	-
Other comprehensive income, net of tax		**(8)**	**-**
Total comprehensive income for the period attributable to the owners of the Company		**66,006**	**22,265**

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

Consolidated Statement of Financial Position

as at 30 June 2020

	Note	2020 $'000	2019 $'000
Assets			
Current assets			
Cash and cash equivalents	8	56,848	39,189
Trade and other receivables	9	64,618	71,317
Contract assets		569	530
Inventories	10	6,643	7,552
Assets held for sale	18	9,189	24,928
Other assets	11	9,947	12,248
Total current assets		**147,814**	**155,764**
Non-current assets			
Property, plant and equipment	12	705,667	691,328
Right-of-use assets	13	39,707	-
Intangible assets	14	502,480	486,035
Total non-current assets		**1,247,854**	**1,177,363**
Total assets		**1,395,668**	**1,333,127**
Liabilities			
Current liabilities			
Trade and other payables	15	70,943	143,659
Income tax payable	6	7,722	6,391
Provisions	16	5,010	5,011
Total current liabilities		**83,675**	**155,061**
Non-current liabilities			
Borrowings	22	363,722	313,255
Deferred tax liabilities	6	32,122	26,352
Provisions	16	13,907	9,987
Other payables	15	43,330	2,022
Total non-current liabilities		**453,081**	**351,616**
Total liabilities		**536,756**	**506,677**
Net assets		**858,912**	**826,450**
Equity			
Issued capital	25	1,282,570	1,288,923
Other contributed equity		1,244	1,244
Reserves	26	(540,339)	(541,825)
Retained earnings		115,437	78,108
Total equity		**858,912**	**826,450**

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2020

	Note	Issued Capital $'000	Other Contributed Equity $'000	Group Reorganisation Reserve $'000	Employee Equity Benefits Reserve $'000	Hedging Reserve $'000	Retained Earnings $'000	Total $'000
Balance 1 July 2018		**748,137**	**1,244**	**(545,068)**	**1,452**	**-**	**74,500**	**280,265**
Effect of adoption of new accounting standards		-	-	-	-	-	(342)	(342)
Balance 1 July 2018 (restated)		748,137	1,244	(545,068)	1,452	-	74,158	279,923
Profit for the period		-	-	-	-	-	22,265	22,265
Total comprehensive income for the period		-	-	-	-	-	22,265	22,265
Transactions with owners, in their capacity as owners and other transfers								
• Issue of shares	25	553,522	-	-	-	-	-	553,522
• Share buyback	25	(7,330)	-	-	-	-	-	(7,330)
• Costs capitalised to equity (net of tax)	25	(5,406)	-	-	-	-	-	(5,406)
• Recognition of equity settled share-based payments	26	-	-	-	1,791	-	-	1,791
Dividends paid or provided during the period	27	-	-	-	-	-	(18,315)	(18,315)
Balance 30 June 2019		**1,288,923**	**1,244**	**(545,068)**	**3,243**	**-**	**78,108**	**826,450**
Balance 1 July 2019		**1,288,923**	**1,244**	**(545,068)**	**3,243**	**-**	**78,108**	**826,450**
Effect of adoption of new accounting standards	2	-	-	-	-	-	(1,150)	(1,150)
Balance 1 July 2019 (restated)		**1,288,923**	**1,244**	**(545,068)**	**3,243**	**-**	**76,958**	**825,300**
Profit for the period		-	-	-	-	-	66,014	66,014
Other Comprehensive Income	26	-	-	-	-	(8)	-	(8)
Total comprehensive income for the period		-	-	-	-	(8)	66,014	66,006
Transactions with owners, in their capacity as owners and other transfers								
• Issue of shares	25	120	-	-	-	-	-	120
• Share buyback	25	(8,500)	-	-	-	-	-	(8,500)
• Costs capitalised to equity (net of tax)	25	(45)	-	-	-	-	-	(45)
• Recognition of equity settled share-based payments	26	-	-	-	3,566	-	-	3,566
• Issue of shares on vesting of performance rights	25, 26	2,072	-	-	(2,072)	-	-	-
Dividends paid or provided during the period	27	-	-	-	-	-	(27,535)	(27,535)
Balance 30 June 2020		**1,282,570**	**1,244**	**(545,068)**	**4,737**	**(8)**	**115,437**	**858,912**

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Receipts from customers		540,014	444,887
Payments to suppliers and employees		(389,572)	(347,762)
Income tax paid		(21,496)	(22,116)
Net cash flows from operating activities	8b	**128,946**	**75,009**
Purchase of property, plant and equipment		(142,134)	(209,871)
Purchase of business		(21,759)	(370,396)
Purchase of intangible assets	14	(17,200)	(5,229)
Proceeds from sale of non-current assets		24,104	2,485
Proceeds from sale of assets held for sale		47,402	-
Interest received	3	190	1,946
Net cash flows used in investing activities		**(109,397)**	**(581,065)**
Proceeds from issue of shares		-	424,926
Capital raising costs	25	(45)	(7,339)
Proceeds from borrowing	22	130,000	333,000
Repayment of borrowing	22	(80,000)	(176,000)
Principal payment of lease liabilities	15	(1,620)	-
Settlement of finance lease liabilities		-	(19,750)
Dividend paid	27	(27,535)	(17,770)
Share buy-back	25	(8,500)	(7,330)
Interest paid		(14,190)	(5,935)
Net cash (used in)/provided by financing activities		**(1,890)**	**523,802**
Net increase in cash held		**17,659**	**17,746**
Cash at the beginning of the year		39,189	21,443
Cash at the end of the year	8a	**56,848**	**39,189**

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

Notes to the Financial Statements
for the year ended 30 June 2020

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 25 August 2020.

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, all in the pursuit of a Waste Free Australia. No significant change in the nature of these activities occurred during the financial period.

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) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

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

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

Basis of consolidation

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

Note 2. Summary of Significant Accounting Policies (Continued)

COVID-19 impact

In March 2020, the World Health Organisation declared COVID-19 a world-wide pandemic. The Group has assessed the impact of COVID-19 on its operations and whilst preparing its financial statements has considered the impact it may have on future economic conditions.

Safety Measures

A COVID-19 response group was implemented in early March 2020 to co-ordinate a group level response to the pandemic. Following advice from the health authorities, the key priorities were to better manage hygiene and social distancing. To achieve this the Group has implemented a number of measures including the provision of hand sanitiser and disinfectant wipes at all sites, daily hospital grade cleans at all sites, site-based temperature checks, a change in process for cash handling and reinforced hygiene messages for weighbridge staff and drivers. In addition, social distancing measures have been rolled out across all sites including work from home for office-based employees, limiting face to face meetings and introducing policies and restricted numbers for meetings, revisions to the changeover process of vehicles and for drivers now obtaining electronic signatures. There has also been a ban imposed on all work-related air travel by staff. In addition, safety measures introduced to protect customers include the implementation of contactless delivery for our collection's customers and the provision of masks for customers at our Post-Collections sites.

Operational Measures

A number of operating cost reductions were initiated in early March including a 4-day working week implemented for head office staff, a 20% reduction in remuneration for Directors, and significantly reduced overtime for site and transport workers.

Capital expenditure reductions have also been initiated with a number of projects put on hold.

Similar measures are continuing into the financial year ending 30 June 2021 (FY21).

Financial Impacts

The unprecedented nature of the pandemic has resulted in the application of additional judgement within particular areas of the report. The key Statement of Financial Position item impacted by COVID-19 was trade and other receivables. In reviewing the expected credit loss associated with its trade receivables the Group considered the impact COVID-19 has on the economic outlook, credit quality and collateral and other credit enhancements in place.

The impact of COVID-19 was felt on Group revenue from March to June and is expected to continue to impact the business in FY21. The FY21 forecast process was delayed until July 2020 to better reflect the impact of COVID-19 on future earnings. Internal forecasts reflect a range of scenarios representing alternative economic impacts of the pandemic.

The Group as a whole was not eligible for JobKeeper however, approximately 90 employees within two smaller subsidiaries qualified which has generated some minor relief for the Group, totalling $0.8 million. Government initiatives to delay EPA payments were not required in totality due to robust cash collection in H2 FY20.

Despite improved gearing levels versus the half year, the Group took the prudent step to have its Banking Syndicate increase covenant headroom and on 9 July 2020 the Banking Syndicate responsible for the Group debt facility has provided an increase in the covenant headroom for the 31 December 2020 testing period.

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:

Note 2. Summary of Significant Accounting Policies (Continued)

Rectification and Remediation Provisions

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 landfill sites. This includes the cost of capping landfill sites, 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 remediation accounting policy are disclosed in Note 16.

Landfill Assets

Landfill assets include landfill land, site infrastructure and landfill site improvement costs, cell development costs and remediation and remediation assets. These costs are capitalised as incurred and, with the exception of the landfill land, are depreciated over the useful life of each individual cell based on units of consumption. Landfill voids, cell development costs and remediation assets are depreciated over the useful life of each individual cell. The depreciation method requires significant estimation of compaction rates, airspace and future cell development costs. Changes in these estimates will cause changes in depreciation rates. The depreciation rates are calculated based on the best available information at the time and changes to these estimates are applied prospectively.

Landfill Void

The landfill voids are intangible assets which are amortised over the useful life of each individual cell based on units of consumption. The amortisation method requires significant estimation of compaction rates and remaining airspace. Changes in these estimates will cause changes in amortisation rates. The amortisation rates are calculated based on the best available information at the time and changes to these estimates are applied prospectively.

Expected Credit Loss

The Group has recognised a loss allowance for lifetime expected credit losses (ECL) on the trade debtor portfolio. 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.

As a result of COVID-19, the Group has identified a worsening of the economic outlook and expect to experience a deterioration in the credit quality of the debtor portfolio throughout the COVID pandemic. Judgement has been applied in assessing the forecast loss rates applicable to the portfolio with a 10% increase applied at each level. Additionally, debt considered to be unrecoverable has been written off during the period. Further details on the Group's expected credit losses can be found in Note 9.

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)

Comparative information

Prior year balances have been adjusted to reflect reclassifications within the Consolidated Statement of Financial Position. Comparative current liabilities of $7,000 has been reclassified from Borrowings to Trade and Other Payables on adoption of AASB 16 *Leases*. Refer 'new and amended standards adopted by the group' for the full impact of first-time adoption of AASB 16. Comparative current liabilities of $2,022,000 has been reclassified from Trade and other payables in current liabilities to Other payables in non-current liabilities to reflect the correct nature of balance. Comparative current contract liabilities of $3,056,000 have been netted off with current contract assets of $3,586,000 to reflect current year presentation.

At 30 June 2019, the fair values of the assets and liabilities acquired as part of the acquisition of the DADI Group during March 2019 were provisional values. The fair values were finalised subsequent to 30 June 2019 and comparative balances have been restated in this report. Refer to Note 17 for further details.

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.

AASB 16 'Leases'

The Group has initially adopted AASB 16 *Leases* from 1 July 2019. AASB 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets, and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied AASB 16 using the modified retrospective approach and has measured right-of-use assets as if AASB16 had been applied from lease commencement, using the incremental borrowing rate at 1 July 2019, with cumulative effect of initial application recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease
Under AASB 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed. Therefore, the definition of a lease under AASB 16 has been applied only to contracts entered into or changed on or after 1 July 2019.

The Group as a Lessee
The Group leases many assets, including and predominantly, related to property leases and heavy equipment. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

At transition, for leases classified as operating leases under AASB 117, the Group has elected to apply the below practical expedients:

- Not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term;
- Exclude initial direct costs in measuring right-of-use assets at the date of initial application;
- The use of hindsight, in determining the lease term, if the contract contains options to extend or terminate the lease.

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019. Right-of-use assets were measured at their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application. The Group presents right-of-use assets separately and presents lease liabilities in "Trade and Other Payables" for current portion and "Other payables" for the non-current portion in the Consolidated Statement of Financial Position.

Note 2. Summary of Significant Accounting Policies (Continued)

AASB 16 'Leases' (continued)

Significant accounting policies
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate applicable for each lease.
The lease liability is subsequently increased by the interest cost on the lease liability (recognised in 'finance costs' in the Consolidated Statement of Profit or Loss) and decreased by the lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The Group as a Lessor
In contracts where the Group is a lessor, the Group determines whether the lease is an operating lease or finance lease at inception of the lease. The accounting policies applicable to the Group as a lessor are not different from those under AASB 117. The Group was not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor.

Impact on Financial statements
Impact on transition
On transition to AASB 16, the Group recognised right-of-use assets, deferred tax asset and lease liabilities, recognising the difference in retained earnings, net of tax. The impact on transition is summarised below:

Particulars	As at 1 Jul 2019 $'000
Right-of-use assets	41,972
Deferred tax asset	493
Lease liabilities	(43,615)
Retained earnings, net of tax	1,150

Lease terms range from 1 to 30 years. The weighted average incremental borrowing rate of 8.24% is high due to the long-term leases held on the West Melbourne Recycling Centre and Alexandria properties.

Impacts for the period
As a result of initially applying AASB 16, in relation to the leases previously classified as operating leases, the Group recognised $42.0 million of right-of-use assets and $43.6 million of lease liabilities as at 1 July 2019.

On transition the Group has finalised its calculations and assumptions with respect to the incremental borrowing rate and the expected lease terms, resulting in reduced balances being applied on transition.

During the year ended 30 June 2020, the Group also recognised $2.9 million of depreciation charges and $3.4 million of interest costs from these leases and $5.0 million of cash outflows in satisfaction of lease payments. In the current year, operating cash flows are higher by $5.0 million as a result of the implementation of AASB 16 *Leases*. Lease cashflows of $5.0 million have been classified in the cash flow statement as interest paid of $3.4 million and principal payment of lease liabilities of $1.6 million in financing cashflows.

AASB 123 'Borrowing Costs'

AASB 123 was amended to clarify that, to the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowing of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale is complete. The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

The amendment is applicable for the Group's annual financial reporting period beginning on 1 July 2019. The application of the amendment did not have a material impact on the entity's financial statements.

Note 2. Summary of Significant Accounting Policies (Continued)

AASB Interpretation 23 'Uncertainty Over Income Tax Treatments'

Interpretation 23 clarified the application of the recognition and measurement criteria in AASB 112 *Income Taxes* (AASB 112) where there is uncertainty over income tax treatments and requires an assessment of each uncertain tax position to determine whether it is probable that a taxation authority will accept the position. Where it is not probable, the effect of the uncertainty is reflected in determining the relevant taxable profit or loss, tax bases, unused tax losses and unused tax credits or tax rates. The amount is determined as either the single most likely amount or the sum of the probability weighted amounts in a range of possible outcomes, whichever better predicts the resolution of the uncertainty. Judgements are reassessed as and when new facts and circumstances are presented.

Interpretation 23 is effective for the Group's annual financial reporting period beginning on 1 July 2019. The application of Interpretation 23 has not had a material impact on the Group's financial statements.

New accounting standards and interpretations for application in future periods

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 2020 have not been adopted by the Group at the date of authorisation of these financial statements. The Group has considered the impact of the below and does not consider them to have a material impact on the financial statements.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.
- AASB 2019-1 Amendments to References to Conceptual Framework in IFRS Standards.

  AASB Conceptual Framework for Financial Reporting
- AASB 2018-7 Definition of Material (Amendments to AASB 101 and AASB 108).
- AASB 17 Insurance Contracts.
- AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards –Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

Note 3. Revenue and Other Income

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.

Trade terms are typically 30 days from end of month. No interest is charged on outstanding trade receivables.

Most Group entities were ineligible for JobKeeper support, however approximately 90 employees within two subsidiaries were able to claim JobKeeper payments. These subsidiaries claimed JobKeeper payments for April 2020 to June 2020 of $0.8 million of which $0.5 million was received by 30 June 2020. These payments confirm compliance with conditions attached to grant. The JobKeeper payment represents a government grant which is recognised under AASB *120 Accounting for Government Grants and Disclosure of Government Assistance*. This grant is recognised as a receivable when there is reasonable assurance that the Group will comply with the conditions attaching to the grant and the grant will be received. The Group has recognised the grants in profit or loss in the period in which the Group recognises the related costs as expenses. The employee cost is recognised as an expense, and the grant income is recognised as ''Other income''.

The majority of revenue is recognised at a point in time under AASB 15.

	2020 $'000	2019 $'000
Revenue	**478,629**	**395,739**
Other income		
Equipment rental	4,268	4,134
Net gain on sale of property, plant & equipment	2,256	102
Net gain on sale of assets held for sale (i)	22,392	-
Net fair value gain on assets held for sale (ii)	138	-
Interest Income	190	1,946
Government grants	837	-
Other income	972	237
Total other income	**31,053**	**6,419**
Total revenue and other income	**509,682**	**402,158**

(i) Gain on sale of the Banksmeadow recycling facility disposed of as part of the undertaking to ACCC to purchase DADI.
(ii) During the year the group reclassified $9.1 million of property located at Helensburgh, Smithfield and Minto from 'property, plant and equipment' to 'assets held for sale' (refer to Note 12 and 18). Each of these properties are under sale contract, with settlement of one property completed in July 2020 and the other two properties due to settle in December 2020 and subject to lease agreements until settlement. At 30 June 2020 these properties are held at fair value less disposal costs.

Note 3. Revenue and Other Income (Continued)

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

Disaggregated segment revenue Including eliminations	2020 $'000	2019 $'000
Collections	221,790	213,480
Post-Collections	240,476	166,997
Other	16,363	15,262
Total revenue	**478,629**	**395,739**

Note 4. Expenses

Profit before income tax includes the following specific expenses:

	Note	2020 $'000	2019 $'000
Net impairment charge/(reversal) (i)	9	2,705	66
Post-employment benefits		6,224	5,243
Equity settled share-based payments		3,282	1,206
Other employee benefits		102,607	90,040
Total employee benefits expense		112,113	96,489
Depreciation - Property, plant & equipment	12	39,355	26,596
Depreciation - Right-of- use assets: Land and buildings (ii)	13	2,624	-
Depreciation - Right-of- use assets: Equipment (ii)	13	258	-
Customer relationship amortisation	14	6,356	4,875
Landfill void amortisation	14	9,301	2,834
Software amortisation	14	2,408	1,032
Other assets amortisation		217	73
Brand amortisation	14	1,250	417
Depreciation and amortisation		61,769	35,827
Rent and outgoings - Related parties	32	605	1,114
Rent and outgoings - Other		379	2,148
Total rent and outgoings (ii)		984	3,262
Performance contract amortisation		142	282
Minimum lease payments (ii)		-	3,059

(i) Includes $0.8 million impairment of insurance receivable and $1.9m impairment reversal on the acquired DADI portfolio.
(ii) On implementation of AASB 16, for leases that have a lease term of 12 months or more the Group recognises depreciation charges and interest costs from these leases instead of operating lease expenses. During the year ended 30 June 2020, the Group recognised $2.9 million of depreciation charges on Right-of-use assets and $3.3 million of interest costs from these leases instead of $5.0 million in operating lease expense. See Note 2 for details regarding the implementation of AASB 16 *Leases*.

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 of collected waste.

All other segments are reflected as "Other" on the basis that these are not considered reportable segments. The "Other" category includes the manufacture and supply of bins, gains/(losses) on sale of properties, as well as unallocated corporate costs which includes acquisition and integration costs.

Assets, liabilities and taxes are not disclosed at an operating segment level and are only reported on a group basis. The Group only operates in Australia. No single customer contributed 5% or more to the Group's revenue for either 2020 or 2019.

2020	Collections $'000	Post-Collections $'000	Other $'000	Eliminations (iii) $'000	Total $'000
Revenue					
Sales	221,790	326,178	26,837	(96,176)	478,629
Other income	558	2,822	27,673 (ii)	-	31,053
Total revenue and other income	**222,348**	**329,000**	**54,510**	**(96,176)**	**509,682**
EBITDA (i)	42,784	108,952	17,111	-	168,847
Depreciation and amortisation expenses					(61,769)
Performance contract amortisation					(142)
Finance costs					(11,827)
Profit before income tax					95,109
Income tax expense					(29,095)
Profit after tax					**66,014**

(i) EBITDA represents earnings before interest, income tax, depreciation and amortisation.
(ii) Other Income includes $22.4m relating to the sale of Banksmeadow.
(iii) Eliminations relate to Post-Collections sales ($85.7 million) and Other sales ($10.5 million).

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	(31,223)	-	74,378
Depreciation and amortisation expenses					(35,827)
Capital raising costs					(683)
Performance contract amortisation					(282)
Net finance costs					(6,791)
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 and amortisation.
(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).

Note 6. Taxation

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

Current tax

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

Deferred tax

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

The carrying amounts related to deferred tax assets are reviewed at the end of each reporting period. 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.

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 assets and liabilities 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 consolidated group. The members of the tax consolidated group are disclosed in Note 21. The relevant deferred tax asset and liability balances were transferred into the Group at acquisition.

During the year, the Group divested its Banksmeadow business and property as part of an undertaking to the Australian Competition and Consumer Commission (ACCC) in relation to the DADI acquisition. A capital loss on the sale was recognised for tax purposes. Capital losses can only be offset against capital gains and any remaining capital losses are available to be carried forward and offset against future capital gains. At the reporting date, the Group has unutilised capital losses of $21.5m. No deferred tax asset has been recognised at this time for this amount due to the uncertainty of the timing or quantum of any future capital gains.

Note 6. Taxation (Continued)

	2020 $'000	2019 $'000
a) Income tax recognised in profit or loss		
Current tax		
In respect of current year	23,187	17,658
Adjustment related to prior year	300	49
Deferred tax		
In respect of current year	5,608	(9,177)
Total tax expense	**29,095**	**8,530**
Income tax expense reconciliation		
Profit before income tax	95,109	30,795
Income tax expense calculated at 30%	28,533	9,239
Increase/(decrease) in income tax expense due to:		
Non-deductible expenses	976	6,757
Non-assessable income	(714)	-
Assets held for sale	-	(7,530)
Overprovision in prior year	-	(49)
Other adjustments	300	113
Income tax expense recognised in the profit or loss	**29,095**	**8,530**
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	2,455	3,825
Acquired blackhole deductions	1,256	2,512
Other blackhole deductions	119	-
Assets held for sale	-	7,530
Employee provisions	2,073	1,759
Provision and accruals	9,919	9,036
	15,822	**24,662**
Deferred tax liabilities		
Customer relationships (i)	(7,779)	(10,061)
Performance contract	-	(42)
Deferred income	(478)	(900)
Plant and equipment	(1,154)	(741)
Land and Buildings	(1,719)	-
Landfill void (i)	(33,408)	(36,371)
Remediation asset (i)	(3,406)	(2,700)
Assets held for sale	-	(199)
Net deferred tax assets/(liabilities)	**(32,122)**	**(26,352)**
c) Income tax liability		
Income tax payable	**7,722**	**6,391**
d) Income tax recognised directly in equity		
Deferred tax		
Arising on transactions with owners:		
Hedging reserve	(3)	-
Share issue expenses deductible over five years	-	2,202
Total income tax recognised directly in equity	**(3)**	**2,202**

(i) At 30 June 2019, the fair values of the assets and liabilities acquired as part of the acquisition of the DADI Group during March 2019 were provisional values. The fair values were finalised in the period to 31 December 2019 and are reflected in a restatement of the previously disclosed provisional values. A reconciliation of these changes is included in Note 17. These changes have resulted in an increase in deferred tax liabilities of $0.5 million.

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

Dilutive potential ordinary shares are limited to performance rights issued under the Group's long-term and short-term incentive plans. Refer to Note 31 for details. The dilutive effect of the performance rights on the basic earnings per share reported below is minimal.

		2020	2019
Basic earnings per share (cents) (i)		10.1	3.9
Diluted earnings per share (cents)		10.0	3.9
Profit for the year attributable to owners of the Company	$'000	66,014	22,265
Weighted average number of ordinary shares used in the calculation of:			
* Basic earnings per share	No. of shares	654,618,471	573,611,670
* Diluted earnings per share	No. of shares	657,603,594	576,187,110
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 (ii)	No. of shares	654,618,471	573,611,670
Adjustments for calculation of diluted earnings per share:			
- Weighted average number of dilutive options and rights	No. of shares	2,985,123	2,575,440
* Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	No. of shares	657,603,594	576,187,110

(1) Basic earnings per share excluding the $22.4 million profit on sale of Banksmeadow is 7.7 cents per share.
(2) 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.

	2020 $'000	2019 $'000
Cash at bank	56,848	39,189
(a) Total cash and cash equivalents	**56,848**	**39,189**

	2020 $'000	2019 $'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	66,014	22,265
Non-operating cash flows in profit		
* Depreciation and amortisation	61,769	35,827
* Net gain on sale of property, plant & equipment	(2,256)	(102)
* Net gain on sale of assets held for sale	(22,392)	-
* Net gain on fair value on assets held for sale	(138)	-
* Non-operating income	(600)	-
* Performance consideration amortisation	142	282
* Finance costs	11,827	6,791
* Interest Received	(190)	(1,946)
* Capital raising costs expensed to the statement of profit or loss	-	683
Changes in assets and liabilities:		
* decrease in trade, other debtors and contract assets	7,684	4,765
* decrease in other assets	2,032	4,163
* decrease/(increase) in inventories	909	(1,957)
* (decrease)/increase in trade and other creditors	(7,389)	15,860
* increase/(decrease) in income taxes	7,601	(13,586)
* increase in provisions	3,933	1,964
Net cash provided by operating activities	**128,946**	**75,009**

(c) Non-cash transactions

During the prior year, in conjunction with the DADI acquisition, the Group acquired $Nil (2019: $18,729) in property, plant and equipment under lease.

Note 9. Trade and Other Receivables

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 cost less any loss allowance.

Trade receivable terms are typically 30 days from end of month. No interest is charged on outstanding trade receivables. Before providing credit to a new customer, the Group typically requires a completed credit application, defines a credit limit and conducts a credit worthiness check.

Trade and other receivables also include amounts receivable for GST.

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.

No individual customer represents more than 3% (2019: 2%) 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. The impact of COVID-19, and the uncertainty generated by the pandemic, has been reflected in the directional forecast at reporting date. Despite strong cash conversion in H2 FY20 of 125.2%, the Group has experienced a slight increase in credit risk as evidenced by a slight deterioration in the ageing profile of the debt portfolio. An equivalent 10% increase in the loss rates has been applied as compared to the prior comparative period in order to manage for the future risk associated with the COVID-19 pandemic and associated impact on the economy. In addition, the Group has undertaken increased assessments on a number of individual receivables.

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 $'000	Loans to related parties [(i)] $'000	Other Receivables $'000	Loss Allowance $'000	Total Trade and other Receivables $'000
2020						
Current	0.28%	46,334	2	-	(127)	46,209
30 – 60	1.10%	2,935	-	-	(32)	2,903
60 – 90	1.65%	3,238	-	-	(53)	3,185
90 +	2.20%	6,620	-	-	(146)	6,474
Individually assessed		8,074	205	1,432	(3,864)	5,847
		67,201	**207**	**1,432**	**(4,222)**	**64,618**
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**

(i) Related party receivables are mainly comprised of trade debtors arising from the reimbursement of land tax and council rates on land controlled by a Director that the Group has paid for in respect of the Eastern Creek Expansionary Land.

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

	2020 $'000	2019 $'000
Opening Balance	1,384	1,387
Provisions recognised	3,759	57
Amounts written off, previously provided for	(921)	(60)
Closing balance	**4,222**	**1,384**

Note 10. 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.

	2020 $'000	2019 $'000
Consumable products	944	991
Raw materials	5,679	6,542
Stock in transit	20	19
Total inventories	**6,643**	**7,552**

Note 11. Other Assets

	2020 $'000	2019 $'000
Derivative assets	-	139
Performance consideration (i)	-	142
Deposits paid (ii)	567	1,653
Deposits paid – related parties	1,522	1,522
Prepayments	1,716	1,749
Other (iii) (iv)	6,142	7,043
Total other assets	**9,947**	**12,248**

(i) Performance consideration in prior period 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 was amortised over the period of employment services.
(ii) Deposits paid includes security deposits, deposits on plant and equipment and other items.
(iii) Other includes insurance receivables, prepaid contribution for infrastructure and other items.
(iv) Insurance receivables incorporates the receipt of $2.2 million of the $3.8 million outstanding in the prior period. A further $0.8 million was received in July 2020 with the difference of $0.8 million written off during the year.

Note 12. 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%
Landfill assets (excluding land)	By consumption

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 remediation and monitoring.

Landfill land

Landfill land is 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.

Remediation assets

A remediation asset is recorded based on estimated costs to cap, remediate and monitor the landfill site over its useful life and post closure. These assets are depreciated based on units of consumption.

Other landfill assets

Site infrastructure and landfill site improvement costs, as well as cell development costs, are capitalised as incurred and are recorded at cost. These amounts are depreciated based on units of consumption

Depreciation

Depreciable landfill assets are depreciated over their useful lives based on units of consumption. The useful life is determined based on actual landfill capacity available and, where appropriate, probable capacity that will become available once the planned development work is performed. Similarly, the cost to be depreciated is determined based on actual cost incurred and management's estimate of costs to be incurred to realise the expected future capacity. A change to the expected future capacity, expected future compaction rates, or to management's estimate of future costs will be treated as a change in estimate and applied prospectively.

The depreciation applied to landfill assets requires a considerable amount of judgment and estimation. The critical judgments include:

- Management's best estimate of costs to develop expected capacity;
- Estimated compaction rate which determines the volume that will fit into the landfill; and
- Probable capacity of the landfill site.

Changes in the above estimates will change the depreciation rate.

Note 12. Property, Plant & Equipment (Continued)

	2020 $'000	2019 $'000
Land at cost	213,957	183,549
Land accumulated depreciation	-	-
Land net	**213,957**	**183,549**
Buildings at cost	141,477	91,128
Buildings accumulated depreciation	(6,469)	(2,640)
Buildings net	**135,008**	**88,488**
Landfill assets at cost (i)	109,909	63,461
Landfill assets accumulated depreciation	(1,515)	-
Landfill assets net	**108,394**	**63,461**
Leasehold improvements at cost	24,255	22,430
Leasehold improvements accumulated depreciation	(2,842)	(829)
Leasehold improvements net	**21,413**	**21,601**
Plant and equipment at cost	162,313	147,033
Plant and equipment accumulated depreciation	(53,482)	(36,568)
Plant and equipment net	**108,831**	**110,465**
Trucks and machinery at cost	75,376	74,741
Trucks and machinery accumulated depreciation	(23,956)	(17,816)
Trucks and machinery net	**51,420**	**56,925**
Work in progress net (ii) (iii) (iv)	**66,644**	**166,839**
Total property, plant & equipment	**705,667**	**691,328**

(i) Fair value of the landfill assets acquired as part of the acquisition of the DADI group were finalised subsequent to 30 June 2019 and comparative balances have been restated (refer to Note 17).

(ii) The prior period 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. The carrying value of Patons Lane as at 30 June 2019 was $136.2 million. The site commenced its landfill operations in July 2019.

(iii) As at 30 June 2020, the Group had paid a deposit of EUR 0.89 million ($1.4 million) and stage payments of EUR 6.63 million ($10.5 million) for certain plant and equipment under construction for the Patons Lane recycling plant. Final payment is expected in FY21. The contractual stage payments are included in the summary of the Group's commitments in Note 28.

(iv) As at 30 June 2020, the Group had paid a deposit of EUR 2.81 million ($4.5 million), stage payments of EUR 3.56 million ($5.6 million) and accrued EUR 0.7 million ($1.1 million) for certain plant and equipment under construction for the Material Processing Centre (MPC 2) at Eastern Creek. Further stage payments, and completion and installation payments are expected in FY21. The contractual stage payments are included in the summary of the Group's commitments in Note 28.

Note 12. Property, Plant & Equipment (Continued)

	Land at cost $'000	Buildings at cost $'000	Landfill assets at cost $'000	Leasehold improvements at cost $'000	Plant and equipment at cost $'000	Trucks and machinery at cost $'000	Work in progress at cost $'000	Total $'000
Balance at 1 July 2018	66,322	56,145	-	4,381	95,934	53,294	125,043	401,119
Additions	9,247	24,874	-	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 (ii)	67,660	33,083	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	**175,039**	**99,638**	**51,300**	**22,430**	**147,033**	**74,741**	**166,839**	**737,020**
Finalisation of purchase price allocation (ii)	-	-	12,161	-	-	-	-	12,161
Balance as at 30 June 2019 (restated) (ii)	**175,039**	**99,638**	**63,461**	**22,430**	**147,033**	**74,741**	**166,839**	**749,181**
Balance at 1 July 2019 (restated)	175,039	99,638	63,461	22,430	147,033	74,741	166,839	749,181
Additions	4,496	16,306	9,899	1,897	19,296	3,973	57,286	113,153
Transfer from work in progress	53,189	35,813	36,549	-	4,370	-	(129,921)	-
Transfer to intangibles (v)	-	-	-	-	-	-	(27,560)	(27,560)
Disposals	(10,575)	(9,141)	-	(72)	(8,386)	(3,338)	-	(31,512)
Reclassification to asset held for sale (vi)	(8,192)	(1,139)	-	-	-	-	-	(9,331)
Balance as at 30 June 2020	**213,957**	**141,477**	**109,909**	**24,255**	**162,313**	**75,376**	**66,644**	**793,931**

(i) Following the acquisition of the properties any leasehold improvements to such properties have been reclassified to either buildings or plant and equipment.
(ii) In the prior year, acquisitions through business combinations included DADI and Cozee's Bins acquisitions. Fair values were finalised subsequent to 30 June 2019 and a restatement of comparative balances has been included in this report (refer to Note 17).
(iii) In the prior year, the Helensburgh assets were no longer treated as assets held for sale.
(iv) In the prior year, Banksmeadow land and buildings were classified as assets held for sale (refer to Note 18).
(v) Includes the cost associated with development of landfill assets pertaining to the landfill void (refer to Note 14).
(vi) During the year the group reclassified $9.1 million of property located at Helensburgh, Smithfield and Minto from 'property, plant and equipment' to 'assets held for sale' (refer to Note 18).

Note 12. Property, Plant & Equipment (Continued)

	Land at cost	Buildings at cost	Landfill assets at cost	Leasehold improvements at cost	Plant and equipment at cost	Trucks and machinery at cost	Work in progress at cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation								**-**
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 to asset held for sale	-	(529)	-	-	(1,304)	-	-	(1,833)
Balance as at 30 June 2019		**2,640**	**-**	**829**	**36,568**	**17,816**	**-**	**57,853**
Balance at 1 July 2019	-	2,640	-	829	36,568	17,816	-	57,853
Depreciation expense	-	4,361	1,515	2,036	22,902	8,541	-	39,355
Write back on disposal	-	(252)	-	(23)	(5,988)	(2,401)	-	(8,664)
Reclassification to asset held for sale	-	(280)	-	-	-	-	-	(280)
Balance as at 30 June 2020	**-**	**6,469**	**1,515**	**2,842**	**53,482**	**23,956**	**-**	**88,264**
Net book value at 30 June 2019 (restated)	**175,039**	**96,998**	**63,461**	**21,601**	**110,465**	**56,925**	**166,839**	**691,328**
Net book value at 30 June 2020	**213,957**	**135,008**	**108,394**	**21,413**	**108,831**	**51,420**	**66,644**	**705,667**

Note 12. Property, Plant & Equipment (Continued)

The property, plant and equipment (PPE) have been pledged to secure the borrowings of the Group (see Note 22).

Disposal of Property

During the year, four properties at Minto and St Mary's were sold for a total of $21.95 million. Net profit on sale of $2.3 million is included in the Consolidated Statement of Profit or Loss as Other Income.

A further three properties at Smithfield, Helensburgh and Minto are under contract for sale for $9.4 million. These properties have been reclassified as assets held for sale and a net fair value gain of $0.1 million has been recognised in the Consolidated Statement of Profit or Loss as Other Income.

As detailed below, the Group has exercised, retained and matured several option agreements during the year.

(a) Options exercised over properties

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

Deed of Call Option – Minto Premises

During the period the call option for the purchase of the Minto premises was exercised by the Group. The option was granted at market value in October 2017 at a purchase price of $4.25 million. The call option fee of $0.1 million was treated as a deposit against the purchase price.

The property was subsequently sold during the year for $6.95 million. Profit on sale of $2.4 million is included in the Consolidated Statement of Profit or Loss as Other Income.

(b) Options retained

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

Call Option – 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, 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. 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 both an option to elect to purchase the land for $98 million or the ability 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 option over all Expansionary Land can be exercised enabling the vendor, a Director related entity, to obtain all parcels of Expansionary Land for net nil consideration under the option. Alternatively, the Group would also be able to put the land to the vendor, a Director related entity, again for nil consideration.

As at 30 June 2020, the subdivision has not been finalised, and accordingly the settlement of the Sale Land and Residual Land have not completed. The Group has not determined if it will exercise the options over the Option land.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Property, Plant & Equipment (Continued)

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.

(c) Options over properties expired

Deed of Call Option – Clayton South Premises

The Group entered into a deed of option with an unrelated third party dated 3 October 2017.

During the period the Group chose to allow the call option to expire and the call option fee of $300,000 is included in Other Expenses within the Consolidated Statement of Profit or Loss.

Note 13. Right-of-use Assets

	Land and Buildings $'000	Equipment $'000	Total $'000
Costs			
Balance at 1 July 2019	-	-	-
Effect of Adoption of AASB 16 (i)	41,520	452	41,972
Modification of leases	813	-	813
Termination of leases	(416)	-	(416)
Balance as at 30 June 2020	**41,917**	**452**	**42,369**

(i) Refer to Note 2 for details regarding the implementation of AASB 16 *Leases*.

	Land and Buildings $'000	Equipment $'000	Total $'000
Accumulated depreciation			
Balance at 1 July 2019	-	-	-
Depreciation expense	(2,624)	(258)	(2,882)
Termination of leases	220	-	220
Balance as at 30 June 2020	**(2,404)**	**(258)**	**(2,662)**
Net book value at 30 June 2019	**-**	**-**	**-**
Net book value at 30 June 2020	**39,513**	**194**	**39,707**

Note 14. Intangible Assets

Intangibles relate to both goodwill and other identified intangible assets arising from the acquisition of the subsidiaries. Other identified intangible assets relate to acquisition of assets such as customer contracts, software, certain brands and trademarks, and landfill voids.

	2020 $'000	2019 $'000
Goodwill (i)	324,293	324,293
Landfill void (i) (ii)	139,484	121,232
Customer relationships (i)	25,095	31,451
Patents and trademarks	152	84
Software (iii)	12,623	6,892
Brand	833	2,083
Total intangibles	**502,480**	**486,035**

(i) Fair values of the assets and liabilities acquired as part of the acquisition of the DADI Group were finalised subsequent to 30 June 2019 and a restatement of comparative balances is included in this report (refer to Note 17).

(ii) Landfill void includes $27.2 million at Patons Lane (2019: $Nil) and $112.3 million at Eastern Creek (2019: $121.2 million).

(iii) Software expenditure incurred throughout the year includes internal development of CRM platforms, upgrading of our proprietary software systems (BinWatch, TipWatch and CommercialWatch), design and replacement of the finance platforms as well as establishment of the myBingo Live system.

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 amortised over its useful life. The initial carrying value of the Patons Lane landfill void is $27.5 million and it has a remaining useful life of 21 years. The Eastern Creek landfill void had an initial carrying value of $124.1 million and has a remaining useful life of 14 years.

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 is being amortised on a straight-line basis over its estimated useful life of 2 years.

Other intangibles

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

Note 14. Intangible Assets (Continued)

	Note	Goodwill $'000	Landfill void $'000	Customer relationships $'000	Patents and trademarks $'000	Software $'000	Brand $'000	Total $'000
Balance 1 July 2018		105,423	-	13,778	80	2,589	-	121,870
Acquisition of businesses		230,475	136,062	18,553		110	2,500	387,700
Additions		-	-	-	4	5,225		5,229
Reclassification to assets held for sale		(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**
Finalisation of purchase price allocation	17	(4,105)	(11,996)	4,660	-	-	-	(11,441)
Balance 30 June 2019 (restated)		**324,293**	**121,232**	**31,451**	**84**	**6,892**	**2,083**	**486,035**
Consists of:								
Costs		324,293	124,066	42,344	84	8,941	2,500	502,228
Accumulated amortisation		-	(2,834)	(10,893)	-	(2,049)	(417)	(16,193)
Balance 30 June 2019 (restated)		**324,293**	**121,232**	**31,451**	**84**	**6,892**	**2,083**	**486,035**
Balance 1 July 2019 (restated)		324,293	121,232	31,451	84	6,892	2,083	486,035
Additions		-	-	-	68	8,132	-	8,200
Transfer to/from PPE		-	27,553	-	-	7	-	27,560
Amortisation		-	(9,301)	(6,356)	-	(2,408)	(1,250)	(19,315)
Balance 30 June 2020		**324,293**	**139,484**	**25,095**	**152**	**12,623**	**833**	**502,480**
Consists of:								
Costs		324,293	151,619	42,344	152	17,080	2,500	537,988
Accumulated amortisation		-	(12,135)	(17,249)	-	(4,457)	(1,667)	(35,508)
Balance 30 June 2020		**324,293**	**139,484**	**25,095**	**152**	**12,623**	**833**	**502,480**

Note 14. Intangible Assets (Continued)

Allocation of intangible assets

	Collections $'000	Post-Collections $'000	Other $'000	Corporate $'000	Total $'000
2020					
Goodwill	132,295	188,882	3,116	-	324,293
Landfill void	-	139,484	-	-	139,484
Customer relationships	6,997	18,098	-	-	25,095
Other intangibles	-	-	-	152	152
Software	-	-	-	12,623	12,623
Brand	833	-	-	-	833
	140,125	346,464	3,116	12,775	502,480
2019 (restated)					
Goodwill	132,295	188,882	3,116	-	324,293
Landfill void	-	121,232	-	-	121,232
Customer relationships	10,070	21,288	93	-	31,451
Other intangibles	-	-	-	84	84
Software	-	-	-	6,892	6,892
Brands	2,083	-	-	-	2,083
	144,448	331,402	3,209	6,976	486,035

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
2020					
NSW	104,685	175,989	3,116	-	283,790
VIC	27,610	12,893	-	-	40,503
	132,295	188,882	3,116	-	324,293

Goodwill	Collections $'000	Post-Collections $'000	Other $'000	Corporate $'000	Total $'000
2019 (restated)					
NSW	104,685	175,989	3,116	-	283,790
VIC	27,610	12,893	-	-	40,503
	132,295	188,882	3,116	-	324,293

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 8.5% per annum (2019: 9.0%).

Cash flow projections during the budget period are based on the respective cash generating units expected gross margins throughout the budget period reflecting market conditions. The cash flows beyond that five-year period have been extrapolated using a steady 2.5% per annum growth rate (2019: 2.5%), other than those cash flows associated with landfill assets. Cash flows 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.

The impact of COVID-19 has seen a reduction in forecast future revenue and expenditure in the near term which has been reflected in the goodwill impairment assessment. The additional uncertainty has also been reflected in the discount rate applied to future cash flows.

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.

	2020 $'000	2019 $'000
Current		
Trade creditors	19,074	37,329
Other creditors and accruals (i)	49,783	75,168
Lease liabilities (ii)	1,402	7
Derivative liabilities (iii)	60	-
Deferred settlement (iv)	-	30,635
Related party payable (v)	624	520
Total trade and other payables	**70,943**	**143,659**
Non-current		
Lease liabilities (ii)	41,195	-
Other payables	2,135	2,022
Total other payables	**43,330**	**2,022**

(i) In the prior year, other creditors and accruals included landholder duty of $25.0 million relating to the DADI Acquisition of which $21.3 million was paid in the current year.

(ii) See Note 2 for details regarding the implementation of AASB 16 *Leases* on 1 July 2019.

(iii) See Note 24 for the accounting policy on derivates and other details.

(iv) On 11 December 2017, the Group completed the purchase of land at Patons Lane. The consideration for Patons Lane was $90 million, structured over three payments of $30 million paid in December 2017, December 2018 and July 2019.

(v) Includes amounts outstanding on commercial terms to entities associated with Directors or Director related entities for printing, design and sponsorship as well as a rental bond on property leased from a Director related entity (refer to Note 32).

Note 15. Trade and Other Payables (Continued)

Reconciliation of lease liabilities arising from financing activities

			Cash		Non-cash		
	30-Jun-19	Effect of adoption of new accounting standards[(i)]	Principal payment of lease liabilities	Interest paid	Interest accrued	Movement in lease liabilities	30-Jun-20
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	7	43,615	(1,620)	(3,341)	3,338	598	42,597
Total liabilities from financing activities	**7**	**43,615**	**(1,620)**	**(3,341)**	**3,338**	**598**	**42,597**

(i) See Note 2 for details regarding the implementation of AASB 16 *Leases* on 1 July 2019.

Note 16. 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 is 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.

	2020	2019
	$'000	$'000
Current		
Annual leave	4,432	4,284
Long service leave	578	727
Total provisions (current)	**5,010**	**5,011**
Non-Current		
Long service leave	1,081	853
Make good provision	147	134
Remediation provision	12,679	9,000
Total provisions (non-current)	**13,907**	**9,987**

Note 16. 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. 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.

	2020 $'000	2019 $'000
Make good provision		
Opening Balance	134	-
Provisions recognised	26	134
Unwinding of discount	2	-
Unused amount reversed	(15)	-
Closing balance	**147**	**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 when the landfill reaches capacity 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 Statement of Financial Position.

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 Statement of Financial Position. 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 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 14 and 21 year operational life of the Eastern Creek and Patons Lane landfill sites respectively

	Note	2020 $'000	2019 $'000
Remediation provision			
Opening Balance		9,000	-
Provisions recognised		3,299	9,000
Unwinding of discount		380	-
Closing balance		**12,679**	**9,000**

Note 17. 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.

There were no business combinations completed during the year ended 30 June 2020.

Reconciliation of DADI fair values that were finalised during the period

At 30 June 2019, the fair values of the assets and liabilities acquired as part of the acquisition of the DADI Group during March 2019 were provisional values. The fair values were finalised subsequent to 30 June 2019 and have been restated in this report. A reconciliation of these changes is included in the table below.

Fair values recognised on acquisition during the year

DADI Group	Provisional values			Finalised values			Change
	Collections	Post-Collections	Total	Collections	Post-Collections	Total	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets							
Cash	176	1,672	1,848	176	1,672	1,848	-
Debtors and other assets	4,070	34,485	38,555	4,070	34,485	38,555	-
Land and buildings	4,934	91,475	96,409	4,934	91,475	96,409	-
Landfill land	-	51,300	51,300	-	54,461	54,461	3,161
Landfill assets	-	-	-	-	9,000	9,000	9,000
Plant and equipment	2,721	12,946	15,667	2,721	12,946	15,667	-
Trucks and machinery	743	3,582	4,325	743	3,582	4,325	-
Work in progress	-	188	188	-	188	188	-
Landfill void	-	136,062	136,062	-	124,066	124,066	(11,996)
Customer relationships	14,711	3,075	17,786	15,835	6,611	22,446	4,660
Brands	2,500	-	2,500	2,500	-	2,500	-
Software	19	91	110	19	91	110	-
Liabilities							-
Trade and other payables	(3,682)	(35,072)	(38,754)	(3,682)	(35,072)	(38,754)	-
Provision for remediation	-	(9,000)	(9,000)	-	(9,000)	(9,000)	-
Employee entitlements	(338)	(3,216)	(3,554)	(338)	(3,216)	(3,554)	-
Deferred tax liability	(3,563)	(33,935)	(37,498)	(3,900)	(34,098)	(37,998)	(500)
Lease liability	(2)	(17)	(19)	(2)	(17)	(19)	-
Total Net identifiable assets	22,289	253,636	275,925	23,076	257,174	280,250	4,325
Goodwill	67,717	160,224	227,941	66,951	156,885	223,836	(4,105)
Consideration transferred	**90,006**	**413,860**	**503,866**	**90,027**	**414,059**	**504,086**	**220**

Reconciliation of Cozee's Bins fair values that were finalised during the period

At 30 June 2019, the fair values of the assets and liabilities acquired as part of the acquisition of the Cozee's Bins business during February 2019 were provisional values. The fair values were finalised at 31 December 2019. No changes were made to the provisional values.

Note 17. Business Combinations (Continued)

Business combinations for the prior corresponding period

2019 Date of Acquisition	Business Segment	Cash consideration[iii] $'000	Shares issued $'000	Deferred consideration $'000	Total consideration $'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) less net stamp duty payable after 30 June 2019 ($10.2 million) + Deferred consideration paid prior to 30 June 2019 ($0.2 million).

Fair values recognised on acquisition during the year ended 30 June 2019

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 remediation	-	(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 of $42.3 million less an ECL allowance of $3.7 million has been assessed as the fair value of receivables. The fair value approximates the best estimate of anticipated cash flows to be collected.

Note 18. 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.

	2020 $'000	2019 $'000
Land and buildings	9,189	15,264
Property, plant & equipment	-	1,631
Goodwill	-	7,500
Customer relationships	-	665
	9,189	25,060
Less: Employee liabilities held for sale	-	(132)
Net assets held for sale	**9,189**	**24,928**

Assets held for sale as at 30 June 2020 relate to the properties located at Smithfield, Helensburgh and Minto. All the properties are under sale contract with deferred settlement periods. The Group has included a $0.1 million uplift in the value of properties to their fair value less cost to sell (refer to Note 3 and 12 for further details).

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. In September 2020, the Group divested this business as part of the undertaking to the Australian Competition and Consumer Commission (ACCC) in relation to the DADI acquisition. The Banksmeadow business was sold during the year for $50 million resulting at a profit on sale of $22.4 million (after disposal costs) which is included in Other Income in the Consolidated Statement of Profit or Loss.

Note 19. 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

	2020 $'000	2019 $'000
Profit after income tax (i)	27,535	18,315
Total comprehensive income	27,535	18,315
Statement of financial position		
Total current assets	-	13,152
Total non-current assets	799,161	788,423
Total assets	799,161	801,575
Total current liabilities	10,159	7,885
Total non-current liabilities	-	-
Total liabilities	10,159	7,885
Issued capital	1,282,570	1,288,923
Retained earnings	-	-
Reserves	(493,568)	(495,233)
Total equity	**789,002**	**793,690**

(i) Represents dividend income which was paid to the shareholders during the year. Refer to Note 27 for details.

Note 19. Parent Entity Information (Continued)

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

	2020 $'000	2019 $'000
Guarantee provided under the deed of cross guarantee (i)	526,597	501,348

(i) Bingo Industries Limited entered into a deed of cross guarantee with 26 of its wholly owned subsidiaries in the year ended 30 June 2018. There has been no change to the deed of cross guarantee in current year. In 2019, the deed of cross guarantee was extended to the 4 acquired DADI subsidiaries. (refer to Note 20 and Note 21 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 2020 (2019: Nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2, with the exception of investments in subsidiaries which are carried at historic cost. Dividends received from subsidiaries are recognised in the Statement of Profit or Loss when the right to receive the dividend is established.

Note 20. 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 21) 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 21. Interests in Subsidiaries

	Principal place of business	2020 %	2019 %
Bingo Industries Limited [(i)]	Australia	100	100
Bingo Property Pty Ltd [(i)]	Australia	100	100
Bingo Holdings Pty Ltd (formerly Bingo Industries Pty Ltd) [(i)]	Australia	100	100
Bingo Waste Services Pty Ltd [(i)]	Australia	100	100
Bingo Bins Pty Ltd [(i)]	Australia	100	100
Bingo Recycling Pty Ltd [(i)]	Australia	100	100
Bingo Commercial Pty Ltd [(i)]	Australia	100	100
Bingo Equipment Pty Ltd [(i)]	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 [(i)]	Australia	100	100
Bingo Investments Pty Ltd [(i)]	Australia	100	100
Bingo IP Pty Ltd [(i)]	Australia	100	100
Bingo Trademarks Pty Ltd [(i)]	Australia	100	100
Toro Group Holdings Pty Ltd [(i)]	Australia	100	100
Toro Waste Equipment (Aust) Pty Ltd [(i)]	Australia	100	100
TW Auburn Pty Ltd [(i)]	Australia	100	100
Bingo Education Pty Ltd [(i)]	Australia	100	100
Bingo Pty Ltd [(i)]	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 [(i)]	Australia	100	100
Bingo Property (VIC) Pty Ltd [(i)]	Australia	100	100
Bingo Patons Lane Pty Ltd as trustee for Bingo Patons Lane Unit Trust [(i)]	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 [(i)]	Australia	100	100
SRC Operations Pty Ltd [(i)]	Australia	100	100
National Recycling Group Pty Ltd [(i)]	Australia	100	100
DATS Environmental Services Pty Ltd [(i)]	Australia	100	100
Truck & Plant Management Services Pty Ltd [(i)]	Australia	100	100
Konstruct Environmental Pty Ltd [(i)]	Australia	100	100
Bingo BM Holdings Pty Ltd	Australia	100	100
BM Recycling Pty Ltd	Australia	-	100
Dial-A-Dump (EC) Pty Ltd [(i)]	Australia	100	100
Dial A Dump Industries Pty Ltd [(i)]	Australia	100	100
Alexandria Landfill Pty Ltd [(i)]	Australia	100	100
IRM Property No2 Pty Ltd [(i)]	Australia	100	100

(i) Entities covered under the deed of cross guarantee with Bingo Industries Limited (refer to Note 20 for further details).

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

Note 22. 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 period in which they are incurred.

The Group may borrow funds from financial institutions to fund acquisitions and capital.

The banking facilities as at 30 June 2020 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.

On 9 July 2020, the Banking Syndicate increased the Total Leverage Ratio to 4.5x in response to the COVID-19 pandemic. The ratio will revert to 3.00x from 30 June 2021.

For the purpose of calculating the financial covenants, a number of prescribed 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.

	2020 $'000	2019 $'000
Non-current - secured		
Bank loan (i)	365,000	315,000
Borrowing costs	(1,278)	(1,745)
Total borrowings (Non-current) (ii)	**363,722**	**313,255**

(i) During the year, bank loans increased by $50.0 million to $365.0 million as at 30 June 2020. This was due to drawdowns of $130 million that were partially offset by repayments of $80.0 million during the year. Refer to the Consolidated Statement of Cash Flows for further details.
(ii) Cash on hand was $56.8 million with net debt being $306.9 million.

On 23 August 2019, the Group increased its total commitment under the Syndicated Facility to include the $100 million accordion facility, bringing the total facility commitment value to $500 million. The Facility maturity date, pricing, and terms and conditions of the facility remain unchanged. The Syndicated Facility is secured against the operations and assets of the Group.

		2020		2019	
Facility	**Maturity**	**Facility $'000**	**Utilised $'000**	**Facility $'000**	**Utilised $'000**
Syndicated Facility - Bullet revolving credit facility	31-Aug-21	475,000	365,000	375,000	315,000
Syndicated Facility - Multi-option working capital facility	31-Aug-21	25,000	9,703	25,000	7,199
Overdraft Facility		3,500	-	3,500	-

As at 30 June 2020, $9.7 million (2019: $7.2 million) had been drawn down for guarantees. The Syndicated Facility is secured against the business, property, plant and equipment and the subsidiaries.

Note 22. Borrowings (Continued)

Reconciliation of borrowings 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-19	Cash Financing cash flows	Non-cash Deferred borrowing costs	Non-cash Movement in finance lease liabilities	30-Jun-20
	$'000	$'000	$'000	$'000	$'000
Total Borrowings (Current)	-	-	-	-	-
Total Borrowings (Non-current)	313,255	50,000	467	-	363,722
Total liabilities from financing activities	**313,255**	**50,000**	**467**	**-**	**363,722**

Note 23. 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 2020 (and 30 June 2019). Cell 1 of the landfill became operational in July 2019 and consequently capitalisation of borrowing costs on the landfill component of the site has been suspended until development commences on Cell 2. Capitalisation of the borrowing costs with respect to the RRC is continuing.

In June 2019 the Group commenced construction of the Materials Processing Centre 2 (MPC 2) at the Eastern Creek site. This advanced recycling plant is expected to be operational early in the 2021 calendar year. This development is classified as a qualifying asset and borrowing costs associated with the development have been capitalised during the year.

All capitalised borrowing costs in the current and comparative periods are in relation to the Patons Lane and MPC 2 qualifying assets. The weighted average capitalisation rate of funds borrowed is 3.11% per annum (2019: 2.91%).

	2020 $'000	2019 $'000
Interest expense – Loans (i)	10,642	6,238
Interest expense – Lease liabilities (ii)	3,338	(195)
Interest expense – Deferred purchase payment (iii)	-	1,566
Interest expense – Remediation provision	380	-
Amortised borrowing costs (iv)	1,003	1,379
Capitalised borrowing included in the cost of qualifying asset (v)	(3,536)	(2,197)
Finance costs	**11,827**	**6,791**

(i) Interest on loans includes $0.1 million fair value losses on interest rate swaps designated as cash flow hedges, see Note 24 for details.
(ii) See Note 2 for details regarding the implementation of AASB 16 *Leases*.
(iii) Implicit interest on the deferred consideration payment purchase structure of the Patons Lane qualifying asset.
(iv) Deferred borrowing costs of $0.5 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 22).
(v) Capitalised borrowing costs relate to Patons Lane RRC and MPC 2 (2019: Patons Lane).

Note 24. 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 22.

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:

	2020 $'000	2019 $'000
Non-current borrowings	363,722	313,255
less cash and cash equivalents	(56,848)	(39,189)
Net debt	306,874	274,066
Total assets (less cash)	1,338,820	1,293,938
Net debt to total assets ratio (i)	22.9%	21.2%

(i) Net debt to total assets ratio:

(a) Debt is defined as long-term and short-term borrowings, as described in Note 22.

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

Financial risk management objectives

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

Derivatives

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of Australia or the derivative counterparty.

The group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship. Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and differences in critical terms between the interest rate swaps and loans. There was no recognised ineffectiveness during FY20 in relation to the interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either, hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 15. Movements in the hedging reserve in shareholders' equity are shown in Note 26. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Note 24. Financial Instruments (Continued)

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows,

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as fixed asset), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

Recognised fair value measurements

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2020				
Derivative liabilities				
At fair value through profit and loss				
Interest rate swaps	-	50	-	50
Foreign currency forward contract	-	(1)	-	(1)
At fair value through other comprehensive income				
Foreign currency forward contract	-	11	-	11
Total derivative liabilities	**-**	**60**	**-**	**60**
2019				
Derivative assets				
At fair value through profit and loss				
Foreign currency forward contract	-	139	-	139
Total derivative assets	**-**	**139**	**-**	**139**

Note 24. Financial Instruments (Continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves
- for foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the balance sheet date

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. Interest rate risk associated with the bank loan of $155 million has been hedged with fixed to floating interest rate swaps. Hedge accounting has been applied on the swaps and the fair value of $0.1 million has been recorded in interest expense in the current year (2019: $Nil).

	2020	2019
Interest rate swaps		
Risk hedged	Variable interest rate	
Maturity date	2021-2023	
Fixed rate	0.675% to 0.720%	
Carrying amount recognised in Note 15	$50,000	-
Notional amount	$155,000,000	-
Hedge ratio	1:1	-
Change in value of outstanding hedging instruments	($50,000)	-
Change in value of hedged item used to determine effectiveness	$50,000	-

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

	30-Jun-20 Weighted ave interest rate	30-Jun-20 $'000	30-Jun-19 Weighted ave interest rate	30-Jun-19 $'000
Bank loans (variable)	2.04%	365,000	2.91%	315,000
Lease liabilities (fixed)	8.24%	42,598	2.62%	7

A 1% increase in the interest rates would have decreased profit by $3.7 million (2019: $1.2 million).

Note 24. Financial Instruments (Continued)

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 for Patons Lane recycling facility and MPC 2 at Eastern Creek was economically hedged with a series of foreign currency forward contracts. The final 10% retention payment (EUR 0.9 million) on Patons Lane recycling facility which is due 12 months after delivery and EUR 1.4 million of the final payment on MPC 2, remains unhedged. Hedge accounting has not been applied on contracts for the Patons Lane recycling facility and a fair value gain on the forward contracts of $0.1 million has been recorded as other income in the current year (2019: $0.1 million). Hedge accounting has been applied on contracts relating to MPC 2 at Eastern Creek. A fair value gain of $0.9 million on settled forward contracts has been recorded in fixed assets in the current year (2019: $Nil) and a fair value loss of $0.01 million on the open forward contracts has been recorded in the hedging reserve in the current year (2019: $Nil).

	2020	2019
Foreign currency forward contract (hedged)		
Risk hedged	EUR:AUD	
Carrying amount recognised in Note 15	$11,000	-
Notional amount	EUR 15,455,000	-
Maturity date	July to Aug 2020	
Hedge ratio	1:1	-
Change in value of outstanding hedging instruments	($11,000)	-
Change in value of hedged item used to determine effectiveness	$11,000	-

	2020	2019
Foreign currency forward contract (unhedged)		
Risk hedged	EUR:AUD	EUR:AUD
Carrying amount recognised (Liability in Note 15 and assets in Note 11)	($1,000)	$139,000
Notional amount	EUR 98,000	EUR 5,430,000
Maturity date	July 20	August 19

Note 24. Financial Instruments (Continued)

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.

	2020 $'000	2019 $'000
Cash and cash equivalents	56,848	39,189
Trade and other receivables	64,618	71,317
Contract assets	569	530
	122,035	111,036

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 $125 million (2019: $78 million) in available headroom in its banking facilities plus $57 million (2019: $39 million) in cash. The contractual maturities of the Group's financial liabilities are:

2020	Weighted ave interest rate	1 Year $'000	1 to 2 Years $'000	2 to 5 Years $'000	Over 5 Years $'000	Total $'000	Carrying Amount $'000
Trade and other payables		69,481	227	682	2,045	72,435	71,616
Derivative liabilities		60	-	-	-	60	60
Bank loans	2.04%	7,464	366,268	-	-	373,732	365,000
Lease Liabilities	8.24%	4,651	4,298	12,485	67,155	88,589	42,597
Financial guarantees	2.04%	9,703	-	-	-	9,703	-
		91,359	370,793	13,167	69,200	544,519	479,273

2019	Weighted ave interest rate	1 Year $'000	1 to 2 Years $'000	2 to 5 Years $'000	Over 5 Years $'000	Total $'000	Carrying Amount $'000
Trade and other payables		143,652	227	682	2,273	146,834	145,674
Bank loans	2.91%	9,192	9,167	316,557	-	334,916	315,000
Lease liabilities	2.62%	7	-	-	-	7	7
Financial guarantees	2.91%	7,199	-	-	-	7,199	-
		160,050	9,394	317,239	2,273	488,956	460,681

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. 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	2020		2019	
Details	Number of shares	$'000	Number of shares	$'000
Ordinary share capital				
Fully paid ordinary shares	653,784,477	1,282,570	656,442,495	1,288,923

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		2020		2019	
Date	Details	Number of shares	$'000	Number of shares	$'000
	On issue at 1 July	656,442,495	1,288,923	414,883,467	748,137
	Movements:				
30/08/2018	Issue of shares under Entitlement Offer (Institutional tranche) (i)	-	-	138,720,619	352,350
14/09/2018	Issue of shares under Entitlement Offer (Retail tranche) (i)	-	-	28,573,079	72,576
27/09/2018	Issue of shares under dividend reinvestment program	-	-	176,268	545
20/12/2018	Employee Gift Offer (ii)	-	-	36,445	98
25/03/2019	Issue of shares as consideration for Business Combination – DADI (iii)	-	-	78,740,154	127,953
	Share buy-back during year	-	-	(4,687,537)	(7,330)
19/07/2019	Employee Gift Offer (ii)	53,640	120	-	-
25/07/2019	Issue of shares under Employee Incentive Plan (iv)	1,073,683	2,072	-	-
	Share buy-backs during the period (v)	(3,785,341)	(8,500)	-	-
	Capital raising transaction costs during the period (net of tax) (vi)		(45)	-	(5,406)
	On issue at 30 June	**653,784,477**	**1,282,570**	**656,442,495**	**1,288,923**

(i) On 21 August 2018, the Group announced it had entered into a binding agreement to acquire 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.
(ii) The BINGO Employee Gift Offer gives Director discretion to provide eligible employees with an opportunity to acquire an ownership interest in the Group.
(iii) Refer to Note 17 for further details.
(iv) On 30 July 2019, the Group issued 1,073,683 shares under the Employee Incentive Plan, 170,908 shares related to shares vested from the Short-Term Incentive Plan for year ended 30 June 2018, and 902,775 shares related to shares vested from the Transactional Bonus.
(v) The Group implemented a 12 month on-market share buy-back in March 2019.
(vi) Prior period gross capital raising transaction costs were $7.2 million ($5.4 million net of tax).

Note 26. Reserves

	2020 $'000	2019 $'000
Group reorganisation reserve (a)	(545,068)	(545,068)
Employee equity benefits reserve (b)	4,737	3,243
Hedging Reserve (c)	(8)	-
Closing balance	**(540,339)**	**(541,825)**

(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.There were no movements in the reserve balance in the current or prior year.

(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 31 for further details on these share-based payment plans.

	2020 $'000	2019 $'000
Employee equity benefits reserve		
Opening Balance	3,243	1,452
Share based payment expense (i)	3,566	1,791
Issue of shares on vesting of performance rights	(2,072)	-
Closing balance	**4,737**	**3,243**

(i) Refer to Note 31 for further details.

(c) Hedging reserve

The Hedging reserve is used to record the gain/(loss) on cash flow hedges.

	2020 $'000	2019 $'000
Hedging Reserve		
Opening Balance	-	-
(Loss)/gain on cash flow hedges (net of tax)	(8)	-
Closing balance	**(8)**	**-**

Note 27. Dividends

The Company declared a fully franked dividend on ordinary shares for the financial year ended 30 June 2020 of 3.7 cents per share, being an interim dividend of 2.2 cents per share and final dividend of 1.5 cents per share. The record date of the final dividend is 1 September 2020 with payment to be made on 8 October 2020.

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

	2020		2019	
	Cents per share	Total $'000	Cents per share	Total $'000
Dividends paid during the period				
Final dividend relating to prior period	2.00	13,151	2.00	8,298
Interim dividend relating to current period	2.20	14,384	1.72	10,017
	4.20	**27,535**	**3.72**	**18,315**
Dividend determined in respect of the period				
Interim dividend relating to current period	2.20	14,384	1.72	10,017
Final dividend relating to current period declared subsequent to year end	1.50	9,807	2.00	13,151
	3.70	**24,191**	**3.72**	**23,168**

	2020 $'000	2019 $'000
Franking credit balance		
The available franking credits are:		
30% franking credits	69,402	63,181

	2020 $'000	2019 $'000
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan		
Dividends paid in cash	27,535	17,770
Dividends satisfied by the issue of shares under the dividend reinvestment plan (i)	-	545
	27,535	**18,315**

(i) Dividend reinvestment plan has been suspended since the half year ended 31 December 2018.

Note 28. Commitments

	2020 $'000	2019 $'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	35,707	14,375

Capital commitments predominately relate to plant and equipment under construction for the Patons Lane recycling facility ($2.0 million to October 2020) and the MPC 2 at Eastern Creek ($30.3 million to January 2021).

Note 29. Contingent Liabilities

The Group does not have any contingent liabilities at 30 June 2020.

Note 30. 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 31. Share-Based Payments

The Board has adopted an incentive plan called the Equity Incentive Plan (EIP) to facilitate offers of equity in the form of options or performance rights to employees of the Group. Under the EIP, the Board may, at 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 (STI), long term incentives (LTI) and the Transactional Bonus from the IPO.

Expense arising from share-based payments:

	2020 $'000	2019 $'000
STI (i)	2,234	297
LTI (i)	1,332	810
Transactional Bonus (ii)	-	684
	3,566	**1,791**

(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.

a) Short-Term Incentives (STI)

During the year 1,286,102 performance rights were granted under the STI (2019: Nil).

b) Long-Term Incentives (LTI)

The Long-Term Incentive Plan was reviewed during the year with the EPS hurdle replaced with a ROCE hurdle.

Performance Rights made in previous periods

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).

Note 31. Share-Based Payments (Continued)

These will both be 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 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.

Performance rights made in current period

The LTI performance rights will be subject to a Return on Capital Employed (ROCE) hurdle with a Weighted Average Cost of Capital (WACC) gate (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 both be tested over the first three years from the date of grant. 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.

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.

Note 31. Share-Based Payments (Continued)

At 30 June 2020, the following performance rights under the LTI scheme outstanding at the reporting date are:

Grant date	Tranche	End of performance period	Opening Balance	Number of rights granted during the year	Number of rights vested during the year	Number of rights forfeited during the year	Balance at the year end
13 April 2017	1	30 June 2020	323,484	-	(161,742)	(161,742)	-
13 April 2017	2	30 June 2021	323,484	-	-	-	323,484
1 May 2017	1	30 June 2020	9,722	-	(4,861)	(4,861)	-
1 May 2017	2	30 June 2021	9,722	-	-	-	9,722
23 October 2017	1	30 June 2020	13,265	-	(6,633)	(6,632)	-
23 October 2017	2	30 June 2021	13,265	-	-	-	13,265
13 November 2017	1	30 June 2020	37,019	-	(18,509)	(18,510)	-
13 November 2017	2	30 June 2021	37,019	-	-	-	37,019
15 January 2018	1	30 June 2020	6,010	-	(3,005)	(3,005)	-
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	6,168	-	-	-	6,168
16 November 2018	2	30 June 2022	6,168	-	-	-	6,168
15 June 2019	1	30 June 2021	37,980	-	-	-	37,980
15 June 2019	2	30 June 2022	37,980	-	-	-	37,980
6 November 2019	1	30 June 2022	-	643,597	-	-	643,597
6 November 2019	2	30 June 2023	-	643,598	-	-	643,598
14 November 2019	1	30 June 2022	-	132,075	-	-	132,075
14 November 2019	2	30 June 2023	-	132,076	-	-	132,076
Total			**1,741,404**	**1,551,346**	**(194,750)**	**(194,750)**	**2,903,250**

A Monte Carlo simulation approach was used to value the LTI awards subject to the relative TSR performance conditions.

Fair market value	Tranche 1 (TSR)	Tranche 1 (ROCE)	Tranche 2 (TSR)	Tranche 2 (ROCE)
6 November 2019	$1.44	$2.28	$1.49	$2.23
14 November 2019	$1.94	$2.63	$1.93	$2.58

Key valuation assumptions made at grant date were:

Grant date	6 November 2019		14 November 2019	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Share price	$2.395	$2.395	$2.752	$2.752
Expected volatility	36%	36%	36%	36%
Expected life	2.6 years	3.6 years	2.6 years	3.6 years
Risk free interest rate	0.89%	0.91%	0.75%	0.77%
Dividend yield	1.92%	1.92%	1.78%	1.78%

Note 31. Share-Based Payments (Continued)

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.

Note 32. Related Parties

(a) Parent entities

Bingo Industries Limited is the ultimate parent entity.

(b) Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 21.

(c) Key management personnel

Disclosures relating to key management personnel (KMP) are set out in the Remuneration Report on pages 28 to 44. The aggregate compensation made to Directors and other members of key management personnel of the Company and the Group is set out below:

	2020 $	2019 $
Short term employee benefits	3,207,157	2,771,916
Post-employment benefits	96,552	88,803
Other long-term employee benefits	(168,986)	158,626
Equity settled share-based payments	1,618,578	726,156
	4,753,301	3,745,501

(d) Wholly owned Group transactions

The wholly owned Group is listed in Note 21. 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 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. Other Assets includes rental deposits of $1,522,995 with respect to these leases (2019: $1,522,955). During the period, $604,600 was expensed as outgoings (2019: $1,113,645 as rent and outgoings) and principal and interest on lease liabilities of $3,066,882 and rent and outgoings of $666,979 were paid (2019: $1,223,091 for rent and outgoings). $Nil was outstanding at year end (2019: $1,919).

The Group paid and was reimbursed for land tax and council rates on land controlled by a Director. The Group has received a $600,000 rental bond which is held within Trade and Other Payables at 30 June 2020 (2019: $600,000). During the year, $945,743 was recharged to the Director (2019: $220,701). $204,794 was outstanding at year end (2019: $Nil).

The Group has received executive management services from an entity associated with a Director to which fees of $1,295,910 (2019: $105,600) were paid. $Nil was outstanding at year end (2019: $75,900).

The Group has received financial advisory advice from an entity associated with a Director to which fees of $49,500 (2019: $198,000) were paid. $Nil was outstanding at year end (2019: $Nil).

The Group sponsors a foundation related to a Director. During the year $350,625 (2019: $402,875) was paid. $13,750 was outstanding at year end (2019: $Nil).

Note 32. Related Parties (Continued)

The Group undertakes certain capital and maintenance work which it contracts out to Director-related entities or an entity associated with a Director. During the year $146,154 (2019: $370,902) was paid. $Nil was outstanding at year end (2019: $89,219).

The Group has received printing and design services from an entity associated with a Director to which fees of $122,672 (2019: Nil) were paid. $10,318 was outstanding at year end (2019: Nil).

The Group leased certain plant & equipment to entities associated with a Director. During the year $Nil was charged on normal commercial terms (2019: $Nil). $Nil was repaid (2019: $165,000) and $Nil was outstanding at year end (2019: $Nil).

The Group provides certain waste management and services to entities associated with a Director on normal commercial terms and conditions. During the year $1,409,086 was received (2019: $139,544) and recognised as revenue in profit and loss. $2,491 was receivable at year end (2019: $80,826).

Expenses were incurred on credit cards controlled by a Director. The Group reimbursed the Director for business related expenses. During the year, $352,732 was reimbursed to the Director (2019: $Nil). Nil was outstanding at year end (2019: $352,732).

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 associated with a Director and was leased to the Group on normal commercial terms and conditions. In October 2018 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.

Note 33. Events Subsequent to the Financial Year End

Final Dividend

On 25 August 2020, the Directors of the Company declared a final dividend on ordinary shares with respect to the year ended 30 June 2020. The total amount of the dividend is $9.8 million, which represents a fully franked dividend of 1.5 cents per share. The dividend has not been provided for in the financial statements for the year ended 30 June 2020.

COVID-19 Impact

During July 2020, the Group recorded COVID-19 positive cases at the West Melbourne site. The site was immediately shut down and the Crisis Management Plan was implemented. All customers were notified, and trucks were diverted to alternative locations. A deep clean of the site was undertaken, including the fumigation of rooms. The site was re-opened at 6am the next morning with a fresh team from other sites. The Group remains vigilant to the risk of further infections and is strictly following health authority guidelines.

Note 34. Auditor's Remuneration

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

	2020 $	2019 $
Audit and review of the financial statements	456,000	450,000
Due diligence services	-	515,000
Tax consulting due diligence and compliance services	485,499	94,835
Other assurance services	-	27,563
Total	**941,499**	**1,087,398**

Independent Auditor’s Report

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 20 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

25 August 2020
Sydney

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bingo Industries Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, 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 2020 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 (including Independence Standards)* (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
Finalisation of accounting for the acquisition of Dial-A-Dump Industries During the prior financial year, the Group acquired the Dial-A-Dump Industries Pty Limited Group of entities (DADI), as disclosed in Note 17. As at 30 June 2019, the Group provisionally accounted for the acquisition. The acquisition accounting was finalised in the period ended 31 December 2019. 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, including the acquisition tax amounts and temporary differences; • 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 finalised accounting.	Our procedures included, but were not limited to: • Obtaining a detailed understanding of the terms and conditions of the purchase contracts • Understanding the process that management had undertaken to evaluate the skills and expertise of management's independent valuation experts used to determine the value attributable to acquired assets and liabilities; • Assessing the finalised 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; - evaluating the accounting treatment, including the classification of options relating to land based on our understanding of the terms and conditions of the purchase contract; - evaluating, in conjunction with our valuation specialists, the appropriateness of the discount rate by comparison to an independent assessment and the finalised values attributed to the acquired intangible assets and liabilities assumed as part of the business acquisition; - In conjunction with our tax specialists: ▪ understanding the process that management have undertaken to identify and assess tax positions; ▪ evaluating 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.

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 2020 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

Deloitte.

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, actions taken to eliminate threats or safeguards applied.

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 29 to 44 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Bingo Industries Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants
Sydney, 25 August 2020