maca

Limited

ABN 42 144 745 782

2012 ANNUAL REPORT

CORPORATE DIRECTORY

MACA Limited
ABN 42 144 745 782

Directors

Andrew Edwards
Non-Executive Chairman

Doug Grewar
Managing Director
(Official Appointment 1/10/2012)

Ross Williams
Finance Director

Geoff Baker
Operations Director

Joe Sweet
Non-Executive Director

Linton Kirk
Non-Executive Director
(Official Appointment 1/10/12)

Company Secretary
Jon Carcich

Registered Office
c/o Bentleys (WA) Pty Ltd
Level 1
12 Kings Park Road
WEST PERTH WA 6005

Telephone (08) 9226 4500
Facsimile (08) 9226 4300

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors

Moore Stephens
Level 3
12 St Georges Terrace
PERTH WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2
45 St Georges Terrace
PERTH WA 6000

Stock Exchange Listings
MACA Limited shares are listed on the Australian Securities Exchange

ASX Code : MLD

Website Address
www.maca.net.au

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ABOUT MACA

MACA is a well-established mining services group that provides open pit contracting services including loading and hauling, drilling and blasting, crushing and screening and civil works. A dedicated civil services subsidiary (MACA 60% share) was established in 2011 to increase the services offering to include public sector works and more detailed civil works.

Incorporated as a private company in November 2002, MACA was admitted to the Australian Securities Exchange ('ASX') in November 2010 following a highly successful initial public offering ('IPO'). After comfortably exceeding its prospectus profit forecast for the financial year ended 2011, MACA has continued to deliver on its growth objectives and generate sound financial returns.

MACA specialises in providing services predominantly to mid-size mining projects across a range of commodities, and currently employs a workforce in excess of 850 employees and sub-contractors.

CHAIRMAN'S ADDRESS

It gives me great pleasure to present the Annual Report for MACA for the year ended 30 June 2012, the Company's second such report as a publicly listed entity.

I am pleased to advise that MACA has achieved a record net profit after tax for the 2012 financial year of $37.7 million and earnings per share of 25.1 cents (basic). This represents a 39.1 % increase in profit on the previous year. The Company has declared a final dividend of 4.5 cents per share, bringing the total for the year to 8 cents per share fully franked.

This financial performance reflects the Company's continuing strong focus on client relationships and service quality, its unwavering commitment to health and safety, and its "Can Do" culture. This is evidenced in the reliable operating performance across the Company's project portfolio, including a number of new projects successfully commenced during the year. Significantly, and most pleasingly, MACA operated lost time injury free throughout the reporting period.

Stock market conditions have been subdued and at times volatile over the past 12 months. The Company's share price has broadly moved in line with the ASX 300 index, although its Total Shareholder Return (TSR – which captures both dividends and share price change) of -5.51% equates to the 2nd quartile of the TSR achieved by companies within that index. MACA was included in the ASX 300 index from 22 September 2012 – an important milestone which is further recognition of the Company's successful journey since listing nearly two years ago.

Whilst the prices for many commodities other than gold have softened in recent times, MACA is well placed to continue to support its clients to deliver on their plans. The Company is in a strong financial position, with cash on hand of $40 million and net debt of $15 million, and has an order book of $1.32 billion plus the potential for further extension works with existing clients.

As recently announced, Mr Doug Grewar will join the Company on 1 October 2012 as the newly appointed Managing Director, and the Board looks forward to Doug joining the MACA team. This follows the resignation of the previous CEO and Managing Director Mr Chris Tuckwell in July 2012. I would like to take this opportunity to publicly thank Chris for all his efforts during nearly 5 years with MACA and to wish him well in his new role.

I am also delighted to welcome Linton Kirk as a newly appointed director who will join the board on 1 October 2012. Linton is a mining engineer with over 30 years varied experience in mining, earthmoving and management roles. He replaces Karen Field who resigned during the year and I thank Karen for her contribution during her time on the board.

I would like to particularly thank the management team led by Chris Tuckwell up until his departure and by Operations Director Geoff Baker since that time, for their untiring effort during the year. This has been critical to the continuing success that MACA has enjoyed. I would also like to thank my fellow directors for their support and contribution.

We look forward to continuing MACA's successful progress in the coming year and beyond.

Andrew Edwards
Chairman

OPERATIONS DIRECTOR'S REVIEW OF OPERATIONS

MACA will have been incorporated for 10 years on the 20th of November this year. I am extremely proud that the values instilled by the founders have become embedded in the culture of the business and paved the way for a most successful transition to a respected public company.

In its second year as a listed company, MACA has continued to deliver exceptional operational performance which has driven record financial outcomes for shareholders.

It is very pleasing that the passion we share for meeting the needs of our customers has resulted in a mutually rewarding and rapidly growing relationship with our long term clients.

Work-in-hand as at 30 June 2012 was $1.32 billion with an average contract term of almost 3 years, positioning the company very well for continued growth.

On 26 July 2012, the main operating subsidiary Mining & Civil Australia Pty Ltd changed its name to MACA Mining Pty Ltd to better illustrate the segmentation of the mining and civil divisions following the formation of MACA Civil Pty Ltd.

HIGHLIGHTS

34.4% increase in revenue to $334.9 million	39.1% increase in statutory NPAT to $37.7 million	Order book of $1.32 billion as at June 2012, with $380 million of revenue secured for the current financial year	Total dividends for the year 8.0 cents per share fully franked	Group operated Lost Time Injury ('LTI') free throughout the financial reporting period	Positive outlook for financial year ended 30 June 2013 and beyond given contracted work in hand position

FINANCIAL PERFORMANCE

	30 June 2012	30 June 2011	Movement
Revenue	$334.9m	$249.2m	34.4%
EBITDA	$86.3m	$65.6m	31.6%
EBIT	$57.1m	$42.8m	33.4%
Net Profit Before Tax	$54.0m	$39.8m	35.7%
Net Profit After Tax	$37.7m	$27.1m	39.1%
Contracted Work in Hand	$1,322m	$1,356m	
Operating Cash Flow	$52.8m	$57.8m	
Earnings per share – basic	25.1 cents	19.7 cents	26.8%
Dividends per share (fully franked)	8.0 cents	6.0 cents	33.3%

Group revenue increased due to continued growth in the core mining segment together with a maiden full year revenue contribution of approximately $41 million from the majority owned (MACA 60%) civil business.

The after tax profit has increased by 39%, from $27.1 million in 2011 to $37.7 million for the year ended 30 June 2012. The increase in profitability is attributable to higher revenues at constant margins at group level and was underpinned by reliable operational performance across the portfolio of projects. EBITDA (Earnings before interest, tax, depreciation and amortisation) grew from $65.6 million in 2011 to $86.3 million for the period ending 30 June 2012, again demonstrating consistency in margins. Over the second half of the recently completed financial year, EBITDA was $50 million on revenue of $194 million, reflecting a greater contribution from projects commenced in the first half.

Operating cash flow for the 12 months ending 30 June 2012 was $52.8 million, a commendable result given the significant investment in working capital to support the strong growth in revenue.

During the year to 30 June 2012 MACA invested $73 million in acquiring property, plant and equipment to service new contracts and replace certain equipment on continuing projects. A considerable portion of this investment relates to capital which will not be actively deployed until the current financial year, most notably the crushing plant which was under construction for the Peculiar Knob project in South Australia. Purchases were funded by a combination of cash ($32.6 million) and commercial hire purchase agreements.

Despite the significant increase in revenue and assets employed, the group remains in a strong financial position with a gearing ratio (net debt to net debt plus equity) of only 11.3%.

Cash on hand at 30 June 2012 was $39.9 million.

OPERATIONS DIRECTOR'S REVIEW OF OPERATIONS

DIVIDEND

On the 27th of August 2012, the board of MACA Limited announced a fully franked final dividend for the financial year ending 30 June 2012 of 4.5 cents per share, and this brings the full year dividend to 8.0 cents per share fully franked.

OPERATIONS

MACA Mining Pty Ltd (includes Crushing)

The core operating division, operated through the wholly owned subsidiary MACA Mining Pty Ltd (previously known as Mining & Civil Australia Pty Ltd) was contracted across 10 projects for 9 clients during the period 1 July 2011 to 30 June 2012.

A summary of material projects which were active during all or part of the reporting period, by sector, is provided below:

Iron Ore:

- Mining services and crushing and screening services for:

  Crosslands Resources at Jack Hills – completed in January 2012

  Sinosteel Midwest Corporation at Koolanooka – continuation

  Atlas Iron at Pardoo – continuation

  Arrium Mining at Peculiar Knob – Mining commenced in September 2011 (Crushing commenced September 2012)

Gold:

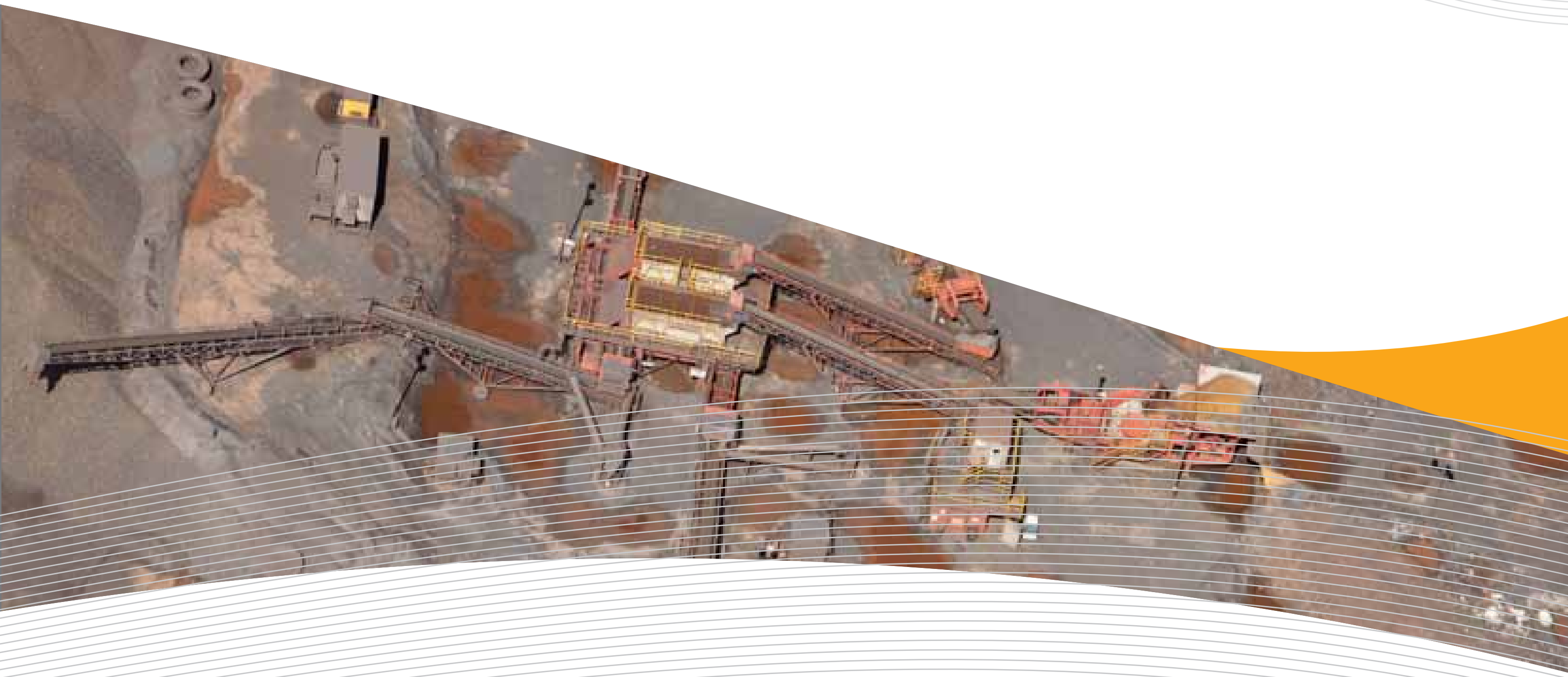
- Mining services for:

  Barrick Australia at Plutonic – continuation

  Focus Minerals (Laverton) – continuation

  Regis Resources at Moolart Well – continuation

  Regis Resources at Garden Well – commenced in August 2011



Base Metals:

- Mining services for:

  Western Areas at Spotted Quoll – completed in March 2012

  Magellan Metals at Wiluna – suspended

Other Mineral:

- Mining services for:

  Kimberley Diamonds at Ellendale – commenced in November 2011

MACA Mining generated revenue of $294.3 million, representing 88% of total group revenue.

Revenue was derived from continuing operations from the previous year, two projects which were completed early in the 2012 calendar year and three new projects commenced in the second half of calendar year 2011. Revenue growth was particularly strong in the second half of the 2012 financial year as new projects which had commenced late in the first half made a full contribution.

It is particularly pleasing that MACA Mining has been able to deliver consistent and reliable operational performance while achieving such significant growth. This growth has been underpinned by both the number of projects and contract tenure, providing considerable opportunities for organic growth through established relationships.

With crushing projects due to commence at both Peculiar Knob and Mt Dove during the first half of the current financial year, it is anticipated that Crushing will make a greater contribution to earnings into the future.

MACA Civil Pty Ltd

MACA Civil (MACA 60% ownership) was engaged on several projects which, in aggregate, delivered revenue of nearly $41 million, representing approximately 12% of total group revenue. The primary project undertaken during the period was the Main Roads of Western Australia (MRWA) Gascoyne Alliance works.

This division was established with the minority owners, Andrew Sarich (General Manager) and Darren Erikssen (Operations Director) to deliver a more comprehensive civil construction service to both existing and new MACA clients within the private and public sectors.

MACA is aiming to increase revenue from the civil division to between 15% and 20% of total group operating revenue over the next 12 to 18 months. Upon achievement of this growth, we are confident that the civil division will make a positive contribution to group profitability, following the modest loss recorded for the period ended 30 June 2012. Recent contract wins, together with current opportunities, have the division well positioned to achieve this objective.

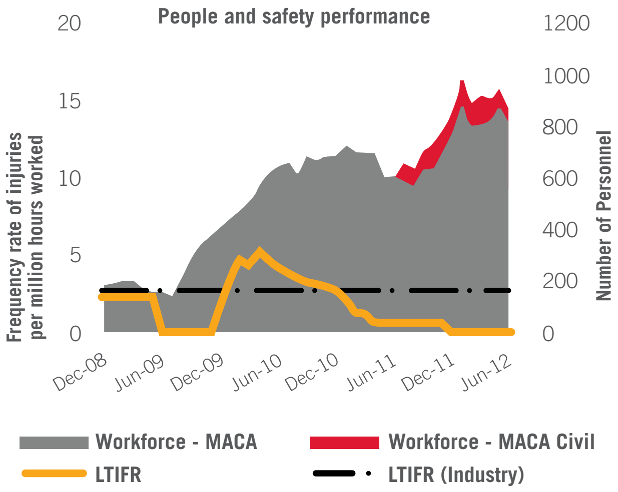
Both MACA Mining and MACA Civil have been awarded works at Atlas Irons' Mt Dove project, comprising a combination of mining, crushing and civil works (Refer ASX Release dated 25 June 2012).

Subsequent to the end of the 2012 financial year, MACA Civil Pty Ltd has also been awarded a project with Main Roads Western Australia ('MRWA') with projected revenue being approximately $60 million over 12 months commencing in October 2012 (Refer ASX Release dated 24 September 2012).

HEALTH, SAFETY AND ENVIRONMENT

MACA manages risk through proactive processes including continual measurement and review aimed at preventing the occurrence of incidents. These include quarterly audits across all projects and compliance to our certified Occupational Health and Safety Management Systems (AS/NZS: 4801) and Environmental Management Systems (ISO: 14001).

The continued focus on health and safety through our audit and compliance vigilance has seen our Lost Time Injury Frequency Rate (LTIFR) fall to zero as at 30 June 2012, a most pleasing outcome against the backdrop of significant growth in the business and employee numbers, as illustrated in the following graph.



Industry source – Dep't of Mines and Petroleum Resources Safety

Despite the LTIFR falling to zero, MACA identified the number of medical treated injuries as an area for concern and, following a comprehensive review, set about the implementation of new and improved safety initiatives to address these occurrences. As a result of this review, MACA also launched a 'ZERO HARM' programme with the objective being that all employees would go to work and return unharmed.

QUALITY MANAGEMENT

MACA maintained accreditation for its Quality Management Systems (ISO: 9001) during the year and continues to develop its systems to support growth through continual measurement and review.

A significant investment was made in aligning the systems of MACA Mining Pty Ltd and MACA Civil Pty Ltd and this resulted in dual accreditation of systems being achieved.

In March of this year MACA Civil Pty Ltd was successful in having its MRWA (Main Roads Western Australia) National Prequalification Rating lifted from R2 to R3 (Road) and its Financial Level from F2 to F25.

HUMAN RESOURCES

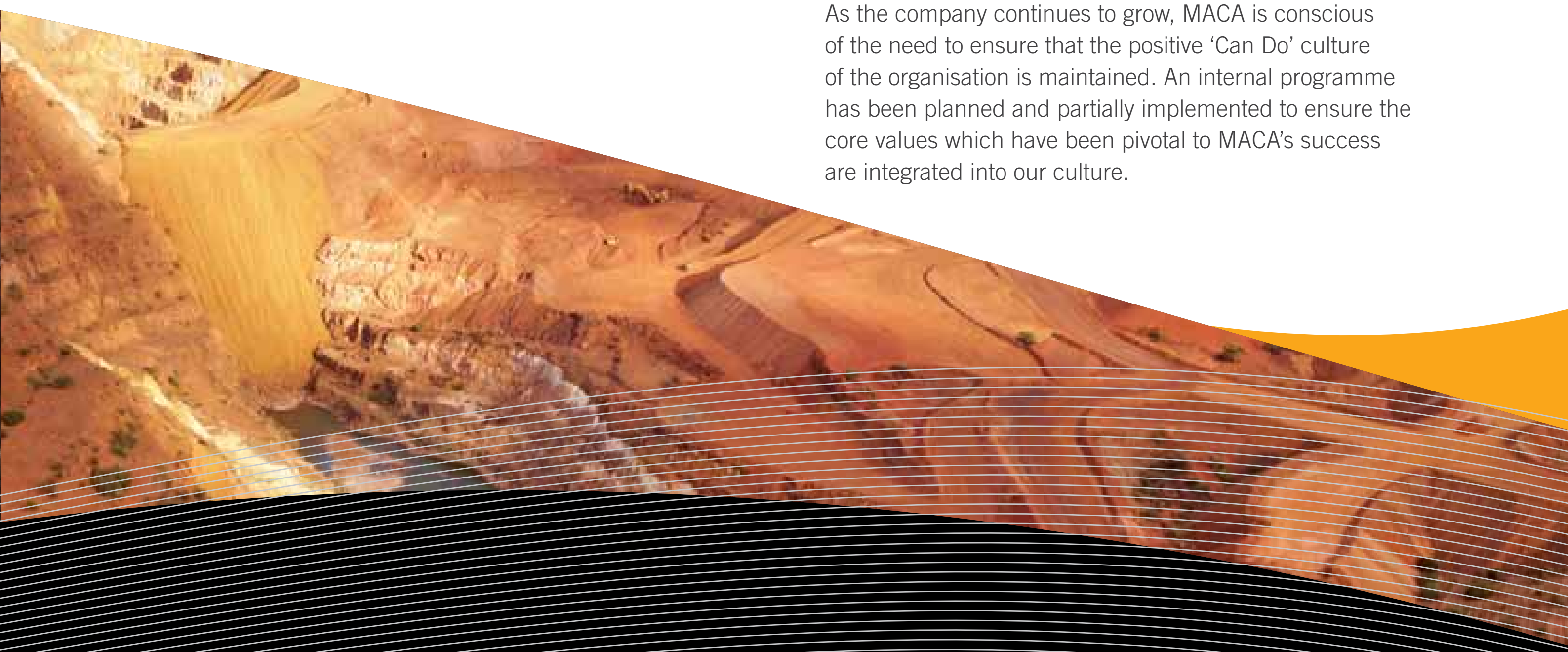
As at 30 June 2012 the Group had a total workforce of approximately 870 employees and subcontractors.

The industry was faced with a tightening labour market during the reporting period and this highlighted the need to focus on strategies that would enable MACA to attract and retain key personnel with the skills required to work in a safe and productive manner.

MACA has enhanced performance management strategies for site employees to ensure greater fairness and equity. These include a focus on gender diversity and the development of a MACA scholarship programme for mining and civil engineers. These strategies are supported by an improved capacity to develop the skills and capabilities of employees through continual development of internal and external training programmes. The success of MACA's apprenticeship programme is evident in the number of qualified trade personnel who have successfully completed the programme with the support of MACA and we are continuing to increase intake levels.

MACA continues to encourage and support indigenous employment and is striving to improve the participation rate through clear strategies and the revision of its targets.

As the company continues to grow, MACA is conscious of the need to ensure that the positive 'Can Do' culture of the organisation is maintained. An internal programme has been planned and partially implemented to ensure the core values which have been pivotal to MACA's success are integrated into our culture.



OPERATIONS DIRECTOR'S REVIEW OF OPERATIONS

COMMUNITY

MACA, with the support of its many loyal employees, makes a significant contribution to the community and to this end has been a long-time supporter of many organisations including the Princess Margaret Hospital for Children and the West Australian Institute for Medical Research (WAIMR).

MACA is the inaugural 'Powered By' sponsor for the West Australian leg of 'The Sunsuper Ride to Conquer Cancer' which supports the WAIMR. With the support of its employees and stakeholders, MACA has raised in excess of $500,000 through its sponsorship and fundraising efforts and looks forward to continuing its support of this important cause.

OUTLOOK

The recent declines in certain commodity prices, particularly Iron Ore, have resulted in a welcome relief to capacity constraints across the industry and we anticipate our clients will benefit from moderating cost inputs as a result of the potential delays in development of large scale projects. We are nevertheless conscious of the political and global economic uncertainty and the impact that lower commodity prices have on our clients and prospective customers.

MACA is well aligned with the organic growth of long term quality key customers and is confident of securing sufficient new and extension work to deliver on its growth strategy. Opportunities with potential new clients are also active, largely created by industry relationships resulting from proven operational and financial capability.

Our objective is to support our customers in achieving their growth aspirations through delivering a reliable and high quality service while working in a safe manner and respecting the environment. In achieving this we are confident that we will continue to develop positive relationships with our clients and deliver positive outcomes for all stakeholders.

With an order book in excess of $1.3 billion as at 30 June 2012, including contracted revenue of $380 million for the current financial year, MACA is moving forward with a level of optimism that defies current market sentiment.

Finally, on behalf of the board and all shareholders, I would like to extend my gratitude to the many loyal and hard-working employees of MACA who are an important part of our success.

Geoff Baker
Operations Director

DIRECTOR'S REPORT

Your Directors present their report on MACA Limited (MACA) and its controlled entities ('Consolidated' or 'Group') for the financial year ended 30 June 2012.

DIRECTORS

The following persons were directors of the Company in office at any time during or since the end of the year except as stated otherwise:

Mr (Hugh) Andrew Edwards – Non Executive Chairman
Mr Christopher Mark Tuckwell – Managing Director (resigned 25 July 2012)
Mr Geoffrey Alan Baker – Operations Director
Mr Ross Campbell Williams – Finance Director
Mr Joseph Ronald Sweet – Non Executive Director
Mrs Karen Lesley Field – Non Executive Director (resigned 30 April 2012)

INFORMATION ON DIRECTORS

Andrew Edwards

B Com, FCA,SF Finsia, FAICD
Chairman, Non Executive Director

Special Responsibilities
Member of Remuneration Committee
Member of Audit Committee (acting Chair since 30 April 2012)

Mr Edwards is a former Managing Partner of Price Waterhouse Coopers (PwC), Perth Office, a former national Vice President of the Securities Institute of Australia (now the Financial Services Institute of Australasia) and a former President of the Western Australia division of the Institute of Chartered Accountants in Australia ("ICAA"). Andrew is a Fellow of the ICAA and has served as state councillor of the ICAA.

Directorships of other publicly listed companies held in the last three years:

Company	Period of Directorship
Mermaid Marine Australia Limited	Since December 2009
Nido Petroleum Limited	Since December 2009
Aspire Mining Limited	Since July 2011

Ross Williams

Finance Director / Chief Financial Officer

Special Responsibilities
None

Mr Williams is a founding shareholder of MACA. Ross is responsible for all financial facets of the Company including capital management, finance, financial reporting and corporate strategy. Ross also has 16 years banking experience having held executive positions with a major Australian bank.

Ross is a past fellow of the Australian Institute of Banking and Finance and holds a Post Graduate Diploma in Financial Services Management from Macquarie University.

Directorships of other publicly listed companies held in the last three years:
None.

DIRECTOR'S REPORT

Geoff Baker
Operations Director

Special Responsibilities
None

Mr Baker is a founding shareholder of MACA. Geoff is responsible for the operations including planning, operating strategy, capital expenditure and delivery of safety and financial outcomes on all projects. Geoff has worked in the sector for 37 years.

Directorships of other publicly listed companies held in the last three years:
None.

Joseph (Joe) Sweet
B Eng
Non Executive Director

Special Responsibilities
Chair – Remuneration Committee
Member of Audit Committee

Mr Sweet has extensive mining contracting and civil contracting experience and was the Managing Director of BGC Australia Pty Ltd from 1988 to 1997 and Managing Director of BGC Contracting Pty Ltd from 1997 to 1999. Joe held senior management roles and Board positions within the Bell Group from 1969 to 1988.

Directorships of other publicly listed companies held in the last three years:
None.

Karen Field
B Ec
Non Executive Director – Resigned 30 April 2012

Special Responsibilities
Chair of Audit Committee – Resigned 30 April 2012

Mrs Field has been involved in the minerals industry for over 30 years and has a strong background in strategic planning, project management and human resources. Karen has held operational and executive positions in a variety of mining industry sectors throughout Australia and in South America.

Directorships of other publicly listed companies held in the last three years:

Company	Period of Directorship
Sipa Resources Limited	Since 2004
Perilya Limited	2007 - 2009

Chris Tuckwell
B Eng
Managing Director – Resigned 25 July 2012

Special Responsibilities
Member of Remuneration Committee – Resigned 25 July 2012

Mr Tuckwell is a qualified construction engineer with 28 years experience in the mining sector. Prior to his resignation Chris had been Chief Executive Officer of MACA for over 4 years. Previously Chris spent 14 years working for Ausdrill and other organisations in mainly off-shore positions including 9 years in Africa as a Shareholder Representative in a number of joint ventures, as a Country Manager overseas and as a General Manager for Ausdrill in Australia.

Directorships of other publicly listed companies held in the last three years:
None.

COMPANY SECRETARY

Jon Carcich

B Com, CA

Mr Carcich provides MACA with Company Secretarial services. Jon is a director of Bentleys (WA) Pty Ltd and has over 18 years experience in the areas of financial and executive management, accounting, business and taxation services, and is a member of the Institute of Chartered Accountants of Australia.

PRINCIPAL ACTIVITIES AND ANY SIGNIFICANT CHANGES IN NATURE

The principal activities of the Group during the financial year were the contracting of mining and civil services to the mining and resources industry.

The following significant changes in the nature of the principal activities occurred during the financial year:

- The incorporation of MACA Civil Plant Pty Ltd of which MACA Limited owns a 60% interest.
- The purchase of an additional 26.67% interest in Riverlea Corporation Pty Ltd (total 60%) resulting in a business combination.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company other than the changes in principal activities as noted above.

CHANGES IN CONTROLLED ENTITIES

The following incorporation and purchase acquisition was part of a group restructure and development:

- On 25 October 2011, MACA was issued 60% of the share capital in MACA Civil Plant Pty Ltd for a total consideration of $6,000. The company was incorporated with the intention to purchase capital equipment utilised in the group's civil business;
- On 1 July 2011 MACA acquired an additional 26.67% interest in Riverlea Corporation Pty Ltd (60% ownership) for a purchase consideration of $400,000 resulting in a business combination.

EVENTS SUBSEQUENT TO BALANCE DATE

- MACA Limited has appointed Mr Doug Grewar as the Company's Chief Executive Officer and Managing Director, which will take effect from 1 October 2012.
- MACA Limited has appointed Mr Linton Kirk as a Non-Executive Director of the Company with effect from 1 October 2012.
- MACA Civil Pty Ltd has been awarded a project with Main Roads Western Australia ('MRWA') with projected revenue being approximately $60 million over 12 months commencing October 2012 (Refer ASX Release dated 24/9/2012).

DIVIDENDS PAID OR RECOMMENDED

Dividends paid or declared for payment since the end of the previous financial year are as follows:

Dividends	Amount per share	Franked amount per share
Final dividend for 2012	4.5 cents	4.5 cents
Interim dividend for 2012	3.5 cents	3.5 cents
Final dividend for 2011	3.0 cents	3.0 cents
Interim dividend for 2011	3.0 cents	3.0 cents

The Directors have determined to pay a final fully franked dividend based on the June 2012 full year result of 4.5c per share on 26 September 2012.

The Company paid an interim fully franked dividend for the 2012 half year of 3.5c per share on 30 March 2012.

DIVIDEND REINVESTMENT PLAN

There is no dividend reinvestment plan in place as at 30 June 2012.

REVIEW OF OPERATIONS

A summary of key financial indicators is set out in the table below.

Although the operating environment remains competitive, MACA has been able to deliver consistent margins on growing revenue to achieve exceptional results. This has been driven by reliable and constant operational performance and active capital management, including an increase in deployment of capital to earnings generative sources.

A review of, and information about the operations of the consolidated entity for the financial year and the results of those operations are set out in the Chairman's Address and the Operations Director's Review of Operations in this Annual Report.

	FY2012 $'000	FY2011 $'000	Change
Revenue	$334.9	$249.2	34.4%▲
EBITDA	$86.3	$65.6	31.6% ▲
EBIT	$57.1	$42.8	33.4% ▲
Net Profit before tax	$54.0	$39.8	35.7% ▲
Net Profit after tax	$37.7	$27.1	39.1% ▲
Contracted Work in Hand	$1,322	1,356	
Operating Cashflow	$52.8	$57.8	
Dividend per share (fully franked)	8.0cents	6.0cents	33.3% ▲
Basic earnings per share	25.1cents	19.70cents	26.8% ▲

FUTURE DEVELOPMENTS

The Directors are of the opinion that the new financial year will be a period of ongoing growth.

MACA strives to achieve continual improvement in its capabilities across all elements of the business and is committed to ensuring this drives efficiencies and delivers positive outcomes for all stakeholders.

The launch of MACA's 'ZERO HARM' programme is a further illustration of its unwavering commitment to the health and safety of its workforce as the company continues to deliver on its growth strategy.

The Chairman's Address and the Operations Director's Review of Operations include an overview of likely future developments in the operations of the Group.

OUTLOOK

The board and management of MACA Limited remain committed to achieving solid, sustainable earnings growth and developing the work in hand position through supporting its valued portfolio of clients and increasing its portfolio of projects with quality low cost producers.

ENVIRONMENTAL ISSUES

The MACA Group is aware of its environmental obligations with regard to its principal activities and ensures it complies with all regulations.

DIRECTORS INTEREST IN SHARES

The relevant interest of each director in the share capital of the Company at the date of this report is as follows:

	Ordinary Shares	Interest	Options	Total	Total Interest
Geoff Baker	18,000,000	12.00%	-	18,000,000	12.00%
Ross Williams	4,500,000	3.00%	-	4,500,000	3.00%
Chris Tuckwell (resigned 25/7/12)	700,000	0.47%	-	700,000	0.47%
Joseph Sweet	100,000	0.07%	-	100,000	0.07%
Andrew Edwards	20,000	0.01%	-	20,000	0.01%
Karen Field (resigned 30/4/12)	-	-	-	-	-
Total	23,320,000	15.55%	-	23,320,000	15.55%

MEETINGS OF DIRECTORS

The number of directors meetings which directors were eligible to attend (including Committee meetings) and the number attended by each director during the year ended 30 June 2012 were as follows:

	Director's Meeting		Committee Meetings			
			Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Andrew Edwards	6	6	2	2	4	4
Chris Tuckwell	6	6	-	-	4	4
Ross Williams	6	6	-	-	-	-
Geoff Baker	6	6	-	-	-	-
Joseph Sweet	6	6	2	2	4	4
Karen Field	6	6	2	2	-	-

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company, the company secretary and all executive and non-executive directors of the Company and any related body corporate against a liability incurred as such a director, company secretary or executive officer to the extent permitted by the Corporations Act 2001.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor. In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to insurers has not been disclosed. This is permitted under s300(9) of the Corporations Act 2001.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON AUDIT SERVICES

No non-audit services were provided during the year by the auditor to the Company or any related body corporate.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 21 and forms part of the directors' report for the financial year ended 30 June 2012.

ASIC CLASS ORDER 98/100 ROUNDING OF AMOUNTS

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and director's report have been rounded to the nearest thousand dollars.

REMUNERATION REPORT

a) Details of the Key Management Personnel ("KMP")

The KMP of the Group during and since the end of the financial year comprise the company directors (as detailed in the beginning of the Director's Report) and the following senior executive officers. Except as noted, these persons held their current position for the whole of the financial year and since the end of the financial year:

Name of KMP	Position
David Edwards	Business Development Manager
Tim Gooch	Mining Manager
Mitch Wallace	Plant Manager
Andrew Sarich	General Manager – MACA Civil Pty Ltd
Darren Erikssen	Operations Director – MACA Civil Pty Ltd

b) Remuneration Policy

The Remuneration Committee reviews the remuneration packages of all KMP on an annual basis and makes recommendations to the Board. Remuneration is benchmarked against comparable industry packages and is adjusted to recognise the specific performance of both the company and the individual.

During the financial year, the remuneration committee engaged Gerard Daniels as a remuneration consultant to review the amount of senior executive remuneration during the year.

Gerald Daniels was paid $15,000 for the remuneration recommendations relating to the review of the elements of KMP remuneration. Gerard Daniels were also engaged to assist in the executive search process which culminated in the recently announced appointment of a new Chief Executive Officer and Managing Director. Fees paid pertaining to this engagement totalled $149,866.

In order to ensure that Gerald Daniels work is free from undue influence by KMP, the terms of engagement, among other matters, required Gerald Daniels to report its recommendations directly to the Chair of the remuneration committee and not to any members of KMP. A declaration was received from Gerard Daniels as part of its report that advice provided was made free from undue influence of senior executives.

c) Non Executive Directors Fees

Non executive directors' fees are determined within an aggregate directors' fee pool which is periodically recommended for approval to shareholders. The current aggregate directors' fee pool is $350,000.

Fees paid to non executive directors are set at levels which reflect both the responsibilities of, and time commitments required from, each non executive director to discharge their duties. Non executive director fees are reviewed annually by the Board to ensure they are appropriate for the duties performed, including Board committee duties, and are in line with the market. Other than statutory superannuation, non executive directors are not entitled to retirement benefits.

d) Senior Executives

The nature and amount of compensation for executive KMP is designed to retain and motivate individuals on a market competitive basis.

The compensation structure for executive directors and KMP comprise of three components, the first two – a base salary package, (including superannuation and other benefits) and a variable cash bonus for short term incentives (STI). The third component is cash or performance rights issue as a long term incentive (LTI), which has been implemented for only two executives as outlined below. The compensation structure is made up of a combination of profit performance targets, delivered safety targets and equipment specific targets.

The base salary package takes into account a number of factors including available market information on similar positions, length of service and the experience, responsibilities and contribution of the employee concerned.

The STI component for the 2011/12 financial year was up to 25% of the base salary package dependent on the KMP.

The Company has a LTI in place for Operations Director Mr Geoff Baker on the following terms:

A retention bonus paid in cash of $750,000 subject to a further 2 years of continued service with MACA from 3 November 2011. The full amount will be paid on 3 November 2013 if the share price at this date is equal to or greater than $2.20. Should the share price be less than $2.20 but greater than $1.90 at this date, the payment will be pro-rated between these amounts. Should the share price be less than $1.90 at this date, no retention bonus will be paid.

The Company had a LTI in place for the former Managing Director Mr Chris Tuckwell on the following terms:

550,000 Performance Rights were issued to Mr Tuckwell for nil cash consideration during the year. These were subject to him remaining in continuous employment with the Company and to specified performance criteria which needed to be satisfied over a specified period of time before the Performance Rights could vest. The Rights were independently valued at $594,000 using a Monte-Carlo simulation model. These rights were forfeited upon resignation by Chris Tuckwell.

The Remuneration Committee assesses whether the performance conditions are achieved and makes recommendations to the Board.

e) Relationship Between the Remuneration Policy and Company Performance

The table below sets out summary information about the Company's statutory earnings and movements in shareholder wealth since the company was listed in November 2010.

	2011	2012
Net profit before tax ($m)	41.4	54.0
Net profit after tax ($m)	28.7	37.7
Share price at year-end	$2.45	$2.25
Interim dividend (fully franked)	3.0 cps	3.5 cps
Final dividend (fully franked)	3.0 cps	4.5 cps
Basic earnings per share	19.7	25.1

f) Key Terms of Employment Contracts

Contracts for service between the Company or company within the Group and KMP are on a continuing basis, the terms of which are not expected to change in the immediate future. The notice period for termination varies from one to three months.

All contracts with senior executives may be terminated by either party giving the required notice and subject to termination payments (being the remuneration for the termination notice period) as detailed below:

Ross Williams – Finance Director
- The company and the employee are required to give 3 months notice of termination.

Geoff Baker – Operations Director
- The company and the employee are required to give 3 months notice of termination.

David Edwards – Business Development Manager
- The company and the employee are required to give 3 months notice of termination.

Tim Gooch – Mining Manager
- The company and the employee are required to give 3 months notice of termination.

Mitch Wallace – Plant Manager
- The company and the employee are required to give 1 months notice of termination.

Andrew Sarich – General Manager - MACA Civil Pty Ltd
- The company and the employee are required to give 3 months notice of termination.

Darren Erikssen – Operations Director - MACA Civil Pty Ltd
- The company and the employee are required to give 3 months notice of termination.

g) KMP Compensation

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the consolidated Group, and to the extent different, among the five Group executives or company executives receiving the highest remuneration. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

Group KMP		Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
	Position held as at 30 June 2012 and any change during the year	Non-salary cash-based incentives	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Total
Group Key Management Personnel						
Executive						
Chris Tuckwell	Managing Director (resigned 25 July 2012)	20.90%	-	-	79.10%	100.0%
Ross Williams	Finance Director	19.20%	-	-	80.80%	100.0%
Geoff Baker	Operations Director	42.32%	-	-	57.68%	100.0%
David Edwards	Business Development Manager	18.08%	-	-	81.92%	100.0%
Tim Gooch	Mining Manager	2.13%	-	-	97.87%	100.0%
Mitchell Wallace	Plant Manager	1.95%	-	-	98.05%	100.0%
Andrew Sarich	General Manager – MACA Civil Pty Ltd	-	-	-	100.00%	100.0%
Darren Erikssen	Operations Director – MACA Civil Pty Ltd	-	-	-	100.00%	100.0%
Non Executive						
Andrew Edwards	Chairman, Non Executive Director	-	-	-	100.00%	100.0%
Joseph Sweet	Non Executive Director	-	-	-	100.00%	100.0%
Karen Field	Non Executive Director (resigned 30 April 2012)	-	-		100.00%	100.0%

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the consolidated Group and, to the extent different, the five Group executives and five company executives receiving the highest remuneration.

Table of benefits and payments for the year ended 30 June 2012.

	Short-term benefits				Post-employment benefits		Long-term benefits		Equity-settled share-based payments				
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Pension and super-annua-tion	Other	Incentive plans	LSL	Shares/ Units	Options/ Rights	Cash-settled shared-based pay-ments	Termin-ation benefits	Total
	$	$	$	$	$	$	$	$	$	$	$	$	$
FY2012													
Executive Directors													
Chris Tuckwell* (Resigned as Director 25/07/12)	459,615	135,000	-	7,840	43,660	-	-	-	-	-	-	-	646,115
Geoff Baker	478,668	111,250	-	13,727	-	-	250,000	-	-	-	-	-	853,645
Ross Williams	341,577	93,430	-	18,240	33,266	-	-	-	-	-	-	-	486,513
Non Executive Directors													
Andrew Edwards	120,000	-	-	-	10,800	-	-	-	-	-	-	-	130,800
Joseph Sweet	76,268	-	-	-	-	-	-	-	-	-	-	-	76,268
Karen Field (Resigned as Director 30/04/12)	62,192	-	-	-	5,597	-	-	-	-	-	-	-	67,789
Other Executives													
David Edwards	475,138	114,780	-	6,198	-	-	-	-	-	38,889	-	-	635,005
Tim Gooch	406,769	10,000	-	17,116	36,609	-	-	-	-	-	-	-	470,494
Mitchell Wallace	292,846	6,750	-	4,137	26,356	-	-	-	-	15,556	-	-	345,645
Andrew Sarich	268,749	-	-	4,951	24,187	-	-	-	-	-	-	-	297,887
Darren Erikssen	246,794	-	-	5,628	14,711	-	-	-	-	-	-	-	267,133
Total for KMP for 2012 year	**3,228,616**	**471,210**	**-**	**77,837**	**195,186**	**-**	**250,000**	**-**		**54,445**	**-**	**-**	**4,277,294**

*Chris Tuckwell was issued 550,000 performance rights, but they did not vest as a result of his resignation

	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Pension and super-annua-tion	Other	Incentive plans	LSL	Shares/ Units	Options/ Rights	Cash-settled shared-based pay-ments	Termin-ation benefits	Total
FY2011													
Executive Directors													
Chris Tuckwell (Appointed as Director 20/09/10)	436,922	110,000	-	5,003	30,957	-	-	-	946,769	-	-	-	1,529,651
Geoff Baker	399,227	92,500	-	9,244	-	-	-	-	-	-	-	-	500,971
Ross Williams	315,799	80,000	-	5,231	28,422	-	-	-	-	-	-	-	429,452
David Edwards (Resigned as Director 20/09/10)	399,266	92,500	-	4,397	-	-	-	-	-	13,725	-	-	509,888
Non Executive Directors													
Andrew Edwards (Appointed as Director 01/10/10)	90,000	-	-	8,100	-	-	-	-	-	-	-	-	98,100
Joseph Sweet (Appointed as Director 20/09/10)	45,407	-	-	-	-	-	-	-	-	-	-	-	45,407
Karen Field (Appointed as Director 11/06/11)	-	-	-	-	-	-	-	-	-	-	-	-	-
James Moore (Resigned as Director 20/09/10)	-	-	-	5,217	-	-	-	-	-	-	-	-	5,217
Frank Maher (Resigned as Director 20/09/10)	-	-	-	4,190	-	-	-	-	-	-	-	-	4,190
Other Executives													
Tim Gooch (Commenced 20/06/11)	-	-	-	-	-	-	-	-	-	-	-	-	-
Mitchell Wallace	260,000	-	-	2,823	23,400	-	-	-	-	5,490	-	-	291,713
Andrew Sarich (Commenced 01/03/11)	61,538	-	-	1,598	5,538	-	-	-	-	-	-	-	68,674
Total for KMP for 2011 year	**2,008,159**	**375,000**	**-**	**45,803**	**88,317**	**-**	**-**	**-**	**946,769**	**19,215**	**-**	**-**	**3,483,263**

Cash Bonuses, Performance-related Bonuses and Share-based Payments

The terms and conditions relating to options, rights and bonuses granted as remuneration during the year to KMP and other executives during the year are as follows:

	Remuneration Type	Grant Date	Grant Value $	Reason for Grant	Percentage Vested/ Paid during Year %	Percentage Forfeited during Year %	Percentage Remaining as Unvested %	Expiry Date for Vesting or Payment	Range of Possible Values Relating to Future Payments $
Group Key Management Personnel					(Note 2)				
Chris Tuckwell (resigned 25/7/12)	Performance Rights	03.01.2012	594,000	Note 1(a)	-	100%	-	-	$0
Geoff Baker	Cash	22.12.2011	750,000	Note 1(b)	-	-	100%	03.11.2013	0 - 750,000
David Edwards	Options	02.11.2010	130,392	Note 1(c)	40%	-	60%	02.11.2013	n/a
Mitchell Wallace	Options	02.11.2010	52,156	Note 1(c)	40%	-	60%	02.11.2013	n/a

Note 1 (a) – These Rights were granted subject to Chris Tuckwell meeting a predetermined performance criteria and performance period. As Mr Tuckwell resigned the rights were forfeited.

Note 1 (b) – This retention bonus was granted as part of Geoff Baker's long term incentive plan which is designed to incentivise Geoff to remain with the Company. This bonus is subject to a performance period and a minimum share price of MACA at the time of vesting.

Note 1 (c) – These options were issued as part of a wider issue of options to employees designed to incentivise staff to remain with the Company. The options are subject to the completion of 3 years continued employment at which time they will vest.

Note 2 – The dollar value of the percentage vested/paid during the period has been reflected in the table of benefits and payments.

Options and Rights Granted

There were no options granted during the financial year.

550,000 Performance Rights were issued to Mr Tuckwell for nil cash consideration during the year. These were subject to him remaining in continuous employment with the Company and to specified performance criteria which needed to be satisfied over a specified period of time before the Performance Rights could vest. The Rights were independently valued at $594,000 using a Monte-Carlo simulation model.

The Performance Period was the period beginning on 1 July 2011 and ending on 30 June 2014, but as Mr Tuckwell resigned the rights were forfeited.

h) Short Term Incentive (STI) Payments

Key management personnel below were granted cash bonuses for the 2012 financial year as noted above. The respective amounts were subject to specific targets being achieved.

These performance targets related to the following areas of the business and were selected for their critical importance to the Group's success:

- Financial – meet the company's forecast Net Profit After Tax result – weighting 50%
- Health and Safety – the Company's Long Term Injury Frequency Rate to be lower than the mining industry standard LTIFR – weighting 50%

The remuneration packages of the Managing Director – Mr Chris Tuckwell, Finance Director – Mr Ross Williams, Operations Director – Mr Geoff Baker and Business Development Manager – Mr David Edwards included a cash bonus component of 25% of the base salary for the 2012 financial year.

All the key performance indicators for measurement of eligibility for short term incentives were met during the year resulting in 100% of the possible amounts being paid.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Ross Williams

Finance Director

Dated at PERTH this 27th day of September 2012

AUDITOR'S INDEPENDENCE DECLARATION

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MACA LIMITED

As lead auditor for the audit of MACA Limited for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace	**Moore Stephens**
Partner	Chartered Accountants

Signed at Perth this 27th day of September 2012.

CORPORATE GOVERNANCE

The Board of Directors of MACA Limited (the Company) is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Australian Stock Exchange Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the ASX Corporate Governance Principles and Recommendations with 2010 Amendments released on 30 June 2010 ('ASX Principles'). Where recommendations have not been followed, the Company must identify the recommendations which have not been followed and give reasons for not following them. The Company's corporate governance practices for the year ended 30 June 2012 are outlined in this Corporate Governance Statement. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Companies should establish and disclose the respective roles and responsibilities of board and management.

Recommendation 1.1:
Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

The Company has established and disclosed (on its website) its Board Charter in accordance with this recommendation. The Board Charter establishes the relationship between the Board and management and describes their respective functions and responsibilities.

Details of the functions and responsibilities of the Board, Chairman and matters delegated to senior executives are set out in sections 1 to 6 of the Board Charter. The roles and responsibilities of the Company's Board and senior executives are consistent with those set out in ASX Principle 1.

Recommendation 1.2:
Companies should disclose the process for evaluating the performance of senior executives.

The Board undertakes a review of the Managing Director's performance, at least annually. Targets are approved by the Board after they have been established between the Board's Remuneration Committee and the Managing Director. These targets are aligned to overall business goals and the Company's requirements of the position.

All executives of MACA Limited are subject to a formal review. Key performance targets are the same as for the Managing Director (and adjusted for the requirements of these positions).

The Managing Director, in conjunction with the Remuneration Committee, carries out a full evaluation of each executive's performance against the agreed targets once a year. Performance pay components of executives' packages are dependent on the outcome of the evaluation.

Recommendation 1.3:
Companies should provide the information indicated in the Guide to reporting on Principle 1.

The Company has made the relevant material available in its Corporate Governance Statement within its website disclosure, in accordance with this recommendation.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Companies should have a board of effective composition, size and commitment to adequately discharge its responsibilities and duties.

Recommendation 2.1:
A majority of the board should be independent directors.

The Company does not conform to Recommendation 2.1 The board currently comprises two non-executive directors including the Chairman, and two executive directors and with effect from 1 October 2012 will comprise three non-executive directors and three executive directors.

This equal representation of executive and non-executive directors is considered by the Board to be a reasonable balance given the Company's size and circumstances, in particular, in recognition of its recent transition to a publicly listed company and the current importance of the existing executive directors to MACA's continued success.

The directors in office at the date of this report, the year of each director's appointment and each director's status as a Non-executive or Executive Director are set out on pages 11 to 12 in the Director's Report.

In assessing the independence of each director the Board considers, amongst other things, whether the director:

- is a substantial shareholder of the Company (as defined by the Corporations Act) or an officer of, or otherwise associated directly with a substantial shareholder of the Company;
- within the last three years has been employed in an executive capacity by the Company or another group member or been a director after ceasing to hold any such employment;
- within the last three years has been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company or another group member other than as a director of the Company;
- has a material contractual relationship with the Company or another group member other than as a director of the Company;
- has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Applying the above criteria, the Board has determined that Mr Andrew Edwards and Mr Joseph Sweet are independent directors, and that Mr Linton Kirk will also be an independent director on his appointment.

Recommendation 2.2:
The chair should be an independent director.

The Board has determined that the Company's Chairman, Mr Andrew Edwards is an independent director.

Recommendation 2.3:
The roles of the chair and chief executive officer should not be exercised by the same individual.

The roles of Chairman of the Board and Managing Director are held by different individuals.

Recommendation 2.4:
The board should establish a nomination committee.

The Board has not formed a separate Nomination Committee. The Board as a whole fulfils the role of a Nomination Committee. To assist the Board to carry out the nomination committee function, it has documented and formalised its nomination related responsibilities in its Board Charter. This approach is considered by the Board to be appropriate given the Company's size and current circumstances.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

In accordance with its Charter the Board will undertake an annual evaluation of its effectiveness as a whole and in committee against a broad range of good practice criteria. The first such evaluation will be undertaken during the coming twelve months and the Board may involve an external facilitator for this purpose. The individual performance of each Board member is reviewed by the Chairman prior to each being considered for re-election. The Chairman's performance is evaluated periodically by the Board.

Recommendation 2.6:

Companies should provide the information indicated in the Guide to Reporting on Principle 2.

The Company has made the relevant material available, being the Board Charter and Nomination Committee Charter in the Corporate Governance Statement within its Annual Report and its website disclosure, in accordance with this recommendation, including the following policies and procedures.

In determining the independence of each Director, materiality is assessed on a case-by-case basis with consideration of the nature, circumstances and activities of the directors having regard to the guidelines the Board uses to assess the independence of directors under recommendation 2.1, rather than by applying general materiality thresholds.

It is a policy of the Board that each has the right to seek independent professional advice at the company's expense, subject to prior approval of the Chairman which will not be unreasonably withheld.

The Board's policy and procedure for the selection, nomination and appointment of new directors and the re-election of incumbent directors is as follows:

- The Board will oversee the appointment and induction process for directors and the selection, appointment and succession planning process of the Company's Managing Director. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the skills deemed necessary;
- The Board may identify potential candidates with advice from an external consultant. Those nominated will be assessed by the Board against background, experience, professional skills, personal qualities, whether the nominee's skills and experience will augment the existing Board, and their availability to commit themselves to the Board's activities. The Board then appoints the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders; and
- When directors are due for re-election, the Board will not endorse the reappointment of a director who is not satisfactorily performing the role.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Companies should actively promote ethical and responsible decision-making.

Recommendation 3.1:

Companies should establish a code of conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity; the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company has established and disclosed (on its website) its Code of Conduct in accordance with this recommendation. It is a policy of the Board that the Code of Conduct applies to directors, officers, employees and consultants of the Company.

The Code of Conduct is regularly reviewed and updated as necessary to ensure it reflects the high ethical standards of conduct necessary to maintain confidence in the Company's integrity.

Recommendation 3.2:

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

The Company has established a Diversity Procedure and a Human Resources and Cultural Diversity Policy, both of which are available on the Company's website.

Recommendation 3.2 (Continued):
The Company will continue to integrate their diversity policy within the recruitment and appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates for all Board and Senior Executive positions, using external experts where necessary.

The Company is currently reviewing their succession plans, promotions and turnover to ensure an appropriate focus on diversity. The Company has identified specific factors to take account of in recruitment and selection processes to encourage diversity. The Company has also developed programs to raise awareness of the advantages of diversity and develop a broader pool of skilled and experienced senior management and board candidates, including, diversity education, workplace development programs mentoring programs and targeted training and development.

The company has Identified and removed barriers to diversity that existed within the Company to create an inclusive and supportive organisation which enables employees to develop to their full potential. The Company has focused on developing a culture which recognises that employees at all levels of the Company may have domestic responsibilities and family commitments and will implement any other strategies the Board and management may develop from time to time.

Recommendation 3.3:
Companies should disclose in each annual report the measureable objectives for achieving gender diversity, set by the board in accordance with the diversity policy and progress towards achieving them.

The Company is in the process of developing objectives (including measurable objectives) aimed at enhancing diversity in a broader context and, more specifically, gender diversity. The Board views this as a process of continual improvement however the following measurable objectives have been implemented initially and will be expanded on over time.

Item	Measureable Objective	Progress
1.	Appoint a Diversity Manager	The Human Resources Manager has been appointed as the Company's Diversity Manager to oversee the application of the Diversity Policy and provide the Board with regular measurement and review as to the effectiveness of the Policy and objectives. At each board meeting directors are provided up to date information on gender diversity and salary equality.
2.	Increase the representation of women as a percentage of total employees to 15% by 2015.	The Company currently has a female participation rate of 13% and is continuing to develop initiatives aimed at increasing this percentage on a continual basis, particularly at the Senior and Executive Management levels. Women with high potential are identified and provided with career development opportunities. The Board composition included one female director during the reporting period and prior to her resignation on 30 April 2012.
3.	Promote an equal opportunity culture	The Human Resources Department has a majority of female personnel and promotes a culture of equal employment which is supported by the executive management team. Remuneration levels are determined based on position and competency, not gender. Review processes are supported by diversity surveys.

Recommendation 3.4:
Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

The proportion of women employees in the organisation as of 30 June 2012 is:

	%	Number
In whole organisation	13	105
In senior executive positions	-	-
On the Board	-	-

The Company will continue to strive to achieve these gender objectives on an ongoing basis. The aim is to appoint more women into senior executive and Board roles, as opportunities arise and as appropriate candidates are identified. This will be done with the implementation of the diversity policy and the regular reporting to the Board on progress in achieving these objectives.

Recommendation 3.5:
Companies should provide the information indicated in the Guide to reporting on Principle 3.

The Company has made the relevant material available in the Corporate Governance Statement within its Annual Report and its website disclosure, in accordance with this recommendation.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

Recommendation 4.1:
The board should establish an audit committee.

The Board has established an Audit Committee and a separate Risk Committee. The responsibilities of the Audit and Risk Committees are set out in the Audit and Risk Committees Charter, which is available on the Company's website.

Recommendation 4.2:
The audit committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent chair, who is not chair of the board
- has at least three members

The Audit Committee established by the Board is structured in accordance with this recommendation.

The members of the Audit Committee as at the date of this report are:

- Mr Andrew Edwards, independent non-executive director
- Mr Joseph Sweet, independent non-executive director

Mr Linton Kirk, an independent non-executive director, will become a member, and Chairman, of the Audit Committee from the date of his appointment. He replaces Ms Karen Field who held that position during the period she was a director.

Recommendation 4.3:
The audit committee should have a formal charter.

The Audit Committee has a formal Audit and Risk Committee charter which is disclosed on the Company's website.

Recommendation 4.4:
Companies should provide the information indicated in the Guide to reporting on Principle 4.

The Company has made the relevant material, being the formal charter of the Audit and Risk Committees and information on procedures for the selection and appointment of the external auditor and rotation of external audit engagement partners, available on its website, in accordance with this recommendation.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE AND BALANCED DISCLOSURE

Companies should promote timely and balanced disclosure of all material matters concerning the company.

Recommendation 5.1:
Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company's Continuous Disclosure Policy is available on the Company's website. This policy sets out the Company's procedures to enable accurate, timely, clear and adequate disclosure to the market in accordance with the Listing Rules. The Board regularly reviews its disclosure practices to ensure the market is kept informed of price sensitive or significant information in accordance with the Listing Rules. The Company Secretary is responsible for communications with, and coordinating disclosure of information to, the ASX in a timely manner. The Board and Managing Director determine whether information is to be disclosed to the ASX and the Company Secretary is responsible for monitoring compliance with the Continuous Disclosure Policy.

Recommendation 5.2:
Companies should provide the information indicated in the Guide to reporting on Principle 5.

The Company has made the relevant material, being its Continuous Disclosure Policy, available on its website, in accordance with this recommendation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

Recommendation 6.1:
Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Company's Shareholder Communications Strategy, which is available on the Company's website, is as follows:

- Introduction
  The Company will communicate all major developments affecting operations to investors through the Annual Report, half-year and full year results announcements, formal disclosures to the ASX (i.e. company announcements), letters to Shareholders when appropriate, the Company website and the Annual General Meeting ("AGM"). The AGM also provides an important opportunity for investors to ask questions, express views and respond to Board proposals.
- Company Announcements
  The Company will endeavour to post all announcements made to the ASX on its website on the day the announcement is made.

  This includes all announcements made under the Company's Continuous Disclosure Policy.

  Where the Company is unable to place an announcement on its website on the same day that the announcement is made the Company will endeavour to post the announcement on its website as soon as is reasonably practicable thereafter.
- Notices of Meeting and Explanatory Information

  The full text of each Notice of Meeting (including any accompanying explanatory information) is posted on the Company's website at the time the Notice is sent to Shareholders.
- Historical Information

  The above information will be posted and maintained on its website for at least three years from the date of release.

Recommendation 6.2:
Companies should provide the information indicated in the Guide to reporting on Principle 6.

The Company has made the relevant material, being its Shareholder Communications Policy, on its website in accordance with this recommendation.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Companies should establish a sound system of risk oversight and management and internal control.

Recommendation 7.1:
Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

The Company has established and disclosed (on its website) its Risk Management Policy in accordance with this recommendation. The Board is responsible for the Company's system of internal controls relating to the operational, administrative and financial aspects of the Company's activities. The Board oversees the establishment, implementation and monitoring of the Company's risk management system. Implementation of the risk management system and day-to-day management of risk is the responsibility of the Managing Director, with the assistance of senior management, as required.

Recommendation 7.2:
The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

The Board has established a risk management system under which risks are reported to management throughout the Company with significant risks being reported to the Board.

The Managing Director is to report to the Board as to the effectiveness of the Company's management of its material business risks regularly.

Recommendation 7.3:
The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

In respect of the 2012 financial year, the Operations Director acting as the Chief Executive Officer and Chief Financial Officer have confirmed in writing to the Board that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control systems which, in all material respects, implement the policies which have been adopted by the Board either directly or through delegation to senior executives and such systems are operating effectively and efficiently in all material respects in relation to financial reporting risks.

Recommendation 7.4:
Companies should provide the information indicated in the Guide to reporting on Principle 7.

The Company has made the relevant material available in the Corporate Governance Statement within its Annual Report and its website disclosure, in accordance with this recommendation.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

Recommendation 8.1:
The board should establish a remuneration committee.

The Board has established a Remuneration Committee. The responsibilities of the Remuneration Committee are set out in the Remuneration Committee Charter, which is available on the Company's website.

Recommendation 8.2:
The remuneration committee should be structured so that it:
- *consists of a majority of independent directors*
- *is chaired by an independent chair*
- *has at least three members*

The members of the Remuneration Committee at the date of this report are:

- Mr Joseph Sweet (Chairman), independent non-executive director (Chairman from 20 September, 2010);
- Mr Andrew Edwards, independent non-executive director.

Mr Linton Kirk, as incoming independent non-executive director, will be invited to join the Remuneration Committee following his appointment. The previous Managing Director, Mr Chris Tuckwell, was a member of the Remuneration Committee during the period he was a director.

The number of Committee meetings that were held during the reporting period and the attendance of the Committee members at those meetings are set out on page 15 of the Directors' Report.

Recommendation 8.3:
Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

The Company's non-executive directors receive fees as remuneration for acting as a director of the Company and, if applicable, acting as a chairperson of a standing Committee of the Board. Further details regarding non-executive directors' remuneration are set out in the Remuneration Report on pages 16 to 20.

The Company's executive directors and senior management are remunerated in accordance with the principles described in the Remuneration Policy set out in the Remuneration Report on pages 16 to 20. Further details regarding senior executive remuneration are set out in the Remuneration Report on pages 16 to 20.

Recommendation 8.4:
Companies should provide the information indicated in the Guide to reporting on Principle 8.

The Company has made the relevant material available in the Corporate Governance Statement within its Annual Report and its website disclosure, in accordance with this recommendation.

It is the Company's policy to prohibit executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

For further information on the corporate governance policies adopted by the Company, refer to the 'Investor Centre' and 'Corporate Governance' tab on the Company's website.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 $'000	2011 $'000
Revenue	2	334,884	249,226
Other income	2	9,277	9,257
Direct costs		(276,680)	(205,984)
Finance costs		(3,053)	(3,039)
Share based payment expense		(358)	(1,073)
Other expenses from ordinary activities		(10,442)	(6,954)
Profit before income tax	3	53,628	41,433
Income tax expense	4	(16,323)	(12,712)
Profit for the year		37,305	28,721
Other comprehensive income:			
Net gain on revaluation of financial assets		136	308
Other comprehensive income for the year, net of tax		136	308
Total comprehensive income for the year		37,441	29,029
Profit attributable to:			
Non-controlling interest		(370)	1,641
Members of the parent entity		37,675	27,080
		37,305	28,721
Total comprehensive income attributable to:			
Non-controlling interest		(370)	1,744
Members of the parent entity		37,811	27,285
		37,441	29,029
Earnings per share:			
Basic earnings per share (cents)	9	25.12	19.70
Diluted earnings per share (cents)	9	24.45	19.31

The accompanying notes form part of these financial accounts

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	2012 $'000	2011 $'000
CURRENT ASSETS			
Cash and cash equivalents	10	39,879	50,563
Trade and other receivables	11	58,764	28,669
Inventory		2,790	2,111
Work in Progress		857	-
Other assets	12	4,208	405
TOTAL CURRENT ASSETS		106,498	81,748
NON CURRENT ASSETS			
Financial assets	13	3,488	3,294
Investments accounted for using the equity method	14	-	500
Property, plant and equipment	16	113,832	70,328
Deferred tax assets	17	2,347	1,512
TOTAL NON CURRENT ASSETS		119,667	75,634
TOTAL ASSETS		226,165	157,382
CURRENT LIABILITIES			
Trade and other payables	18	39,885	25,020
Financial Liabilities	19	22,029	18,153
Current tax liabilities	17	8,442	4,034
Short–term provisions	20	5,327	2,565
TOTAL CURRENT LIABILITIES		75,683	49,772
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	431	401
Financial Liabilities	19	32,800	18,966
TOTAL NON-CURRENT LIABILITIES		33,231	19,367
TOTAL LIABILITIES		108,914	69,139
NET ASSETS		117,251	88,243
EQUITY			
Issued capital	21	35,695	35,570
Reserves		1,235	741
Retained Profits		79,933	52,008
Parent Interest		116,863	88,319
Non-controlling Interest		389	(76)
TOTAL EQUITY		117,251	88,243

The accompanying notes form part of these financial accounts

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Issued Capital $'000	Retained Earnings $'000	Financial Assets Reserve $'000	Option Reserve $'000	Non Controlling Interests $'000	Total $'000
BALANCE AT 1 JULY 2010	-	23,550	154	-	10,813	34,517
Profit for the year	-	27,080	-	-	1,641	28,721
Other comprehensive income:						
Revaluation of Investment	-	-	206	-	103	308
Total comprehensive income	-	27,080	206	-	1,744	29,029
Shares issued	37,153	-	-	-	-	37,153
Cost of capital raising	(1,583)	-	-	-	-	(1,583)
Options issued	-	-	-	126	-	126
Acquisition of non-controlling interest	-	12,378	255	-	(12,633)	-
Dividends paid or provided for	-	(11,000)	-	-	-	(11,000)
BALANCE AT 30 JUNE 2011	35,570	52,008	615	126	(76)	88,243
BALANCE AT 1 JULY 2011	35,570	52,008	615	126	(76)	88,243
Profit for the year	-	37,675	-	-	(370)	37,305
Other comprehensive income:						
Revaluation of Investment	-	-	136	-	-	136
Total comprehensive income	-	37,675	136	-	(370)	37,441
Shares issued	-	-	-	-	-	-
Tax benefit of capital raising costs	125	-	-	-	-	125
Options issued	-	-	-	358	-	358
Acquisition of non-controlling interest					834	834
Dividends paid	-	(9,750)	-	-	-	(9,750)
BALANCE AT 30 JUNE 2012	35,695	79,933	751	484	389	117,251

The accompanying notes form part of these financial accounts

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		315,440	262,519
Payments to suppliers and employees		(247,610)	(192,615)
Dividends received		113	168
Interest received		1,261	1,518
Interest paid		(3,053)	(3,039)
Income tax (paid)/refund		(13,331)	(10,773)
Net cash provided by operating activities	25(b)	52,820	57,778
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash acquired from purchase of subsidiary		859	230
Purchase of investments		-	(500)
Proceeds from sale of property, plant and equipment		623	409
Purchase of property, plant and equipment		(32,562)	(19,159)
Repayments of/ (Loans) to Related Parties		-	750
Net cash used in investing activities		(31,080)	(18,270)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	33,417
Repayment of borrowings		(22,674)	(17,224)
Dividends paid		(9,750)	(11,000)
Net cash provided by (used in) financing activities		(32,424)	5,193
Net increase/(decrease) in cash held		(10,684)	44,702
Cash and cash equivalents at beginning of financial year		50,563	5,861
Cash and cash equivalents at end of financial year	25(a)	39,879	50,563

The accompanying notes form part of these financial accounts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

These consolidated financial statements and notes represent those of MACA Limited and Controlled Entities (the "consolidated group" or "group").

The separate financial statements of the parent entity, MACA Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. The financial statements were authorised for issue on 27 September 2012 by the directors of the company.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authorative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out in accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by MACA Limited at the end of the reporting period. A controlled entity is any entity over which MACA Limited has the ability to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 15 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

b. Investments in Associates

Associate companies are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the relation to the Group's investment in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume the recognition of its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investments in associates are shown at Note 14.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Income Tax (Continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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 legally enforceable right of set-off exists, 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 periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Inventories

Inventories and Work in Progress are measured at the lower of cost or net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and the impairment losses are recognised either in the profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

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

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value and/or straight line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2.5%
Plant and equipment	2.5% - 50%
Low value pool	18.75% - 37.5%
Motor vehicles	18.75% - 50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Financial Instruments (Continued)

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;

b. less principal repayments;

c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

d. less any reduction for impairment.

The *effective* interest *method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

v. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Financial Instruments (Continued)

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i. Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

j. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is shown in the option reserve.

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. 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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

m. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

n. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

o. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period 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 income in the period in which they are incurred.

p. Goods and Services Tax (GST)

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

r. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

i. Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

ii. Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

iii. Estimation of Useful Lives of Assets

The estimation of the useful lives of property, plant and equipment has been based on historical experience and reviewed on an ongoing basis. The condition of the assets are assessed at least annually against the remaining useful life with adjustments made when considered necessary.

Key judgments

i. Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

s. Rounding of Amounts

The group has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest $1,000. Comparative information has been adjusted to reflect this change.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 $'000	2011 $'000
NOTE 2. REVENUE AND OTHER INCOME			
Revenue from Continuing Operations:			
Sales revenue			
- Sales		324,854	240,701
		324,854	240,701
Other revenue			
- Interest received		1,261	1,518
- Dividends received		113	169
- Other revenue		8,656	6,838
		10,030	8,525
Total Revenue		334,884	249,226
Other Income			
- Gain / (Loss) on sale of plant and equipment		43	647
- Gain / (Loss) on sale of investments		-	-
- Discount on acquisition		352	234
- Other income		8,882	8,376
Total Other Income		9,277	9,257
NOTE 3. PROFIT FOR THE YEAR			
Expenses:			
Depreciation and amortisation			
- Plant and equipment		27,990	21,512
- Motor vehicles		1,283	1,276
- Other		5	4
Total depreciation and amortisation expense		29,278	22,792
Employee benefits expense			
- Direct labour		71,946	43,873
- Payroll tax		3,546	1,709
- Superannuation		4,100	2,669
- Employee entitlements accrual		4,955	3,755
- Share based payment		358	1,073
- Other		191	226
Total employee benefits expense		85,096	53,305
Repairs, service and maintenance		17,457	17,408
Materials and supplies		33,560	32,696

	Note	2012 $'000	2011 $'000
NOTE 4. INCOME TAX EXPENSE			
(a) The components of tax expense comprise:			
Current		17,075	13,394
Deferred	17(c)	(752)	(682)
		16,323	12,712
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)		16,088	12,430
Add tax effect of:			
- dividend imputation		1,268	600
- other non allowable items		132	540
- other taxable items		2,926	1,353
- prior year adjustments		136	
Less tax effect of:			
- franking credits on dividends received		(4,227)	(2,001)
- prior year adjustment			(10)
- other deductible items			(200)
Income tax attributable to the entity		16,323	12,712
The applicable weighted average effective tax rate as		30.4%	30.7%

NOTE 5. BUSINESS COMBINATIONS

2012

On 1 July 2011 the Group acquired a further 26.67% of the issued capital in Riverlea Corporation Pty Ltd (taking the total held to 60%), a company mostly involved in contracting of civil services.

The major classes of assets and liabilities comprising the acquisition of the Company as at the date of the acquisition are as follows:

	Acquiree's carrying amount at 1 July 2011 $'000	Fair value at 1 July 2011 $'000
Purchase consideration - Cash:		900
Less:		
Cash and cash equivalents	1,259	1,259
Trade and other receivables	5,170	5,170
Other assets	143	143
Property, plant and equipment	707	707
Trade and other payables	(4,177)	(4,177)
Financial liabilities	(290)	(290)
Current tax liabilities	(678)	(678)
Provisions	(48)	(48)
	2,086	2,086
Percentage of ownership (60%) of identifiable assets acquired and liabilities assumed		1,252
Gain on acquisition		352

NOTE 5. BUSINESS COMBINATIONS (CONTINUED)

2011

On 2 September 2010, MACA Limited acquired 100% of the issued capital of MACA Plant Pty Ltd (and its subsidiary MACA Mining Pty Ltd, formerly Mining and Civil Australia Pty Ltd) for a purchase consideration of $92,523,641. The purchase was satisfied with the issue of 92,523,641 ordinary shares in MACA Limited at $1 per share.

Net assets of MACA Plant Pty Ltd at acquisition date were $34,323,775. Under the principles of AASB 3 Business Combinations, MACA Plant Pty Ltd is the accounting acquirer in the business combination. Therefore the transaction has been accounted for as a reverse acquisition. Fair value of the consideration transferred has been determined by reference to the fair value of issued shares in MACA Plant Pty Ltd immediately prior to the business combination.

The purchase acquisition was part of a group restructure to facilitate listing on the Australian Securities Exchange to enable further expansion.

The major classes of assets and liabilities comprising the acquisition of the Company as at the date of the acquisition are as follows:

	2 September 2010 $
Cash and cash equivalents	4,331,688
Trade and other receivables	34,474,805
Other assets	392,500
Financial assets	3,150,000
Property, plant and equipment	52,462,379
Deferred tax assets	692,199
Trade and other payables	(22,361,633)
Financial liabilities	(33,340,670)
Current tax liabilities	(3,259,948)
Provisions	(1,879,544)
Deferred tax liabilities	(338,001)
	34,323,775
Consideration paid:	
Ordinary shares (92,523,641 shares)	92,523,641

On 2 September 2010, the Group acquired 100% of the issued capital of MACA Crushing Pty Ltd, a company providing services to the mining and resources industry, for a purchase consideration of $1,206,505.

The purchase acquisition was part of a group restructure to facilitate listing on the Australian Securities Exchange which will enable further expansion.

Through acquiring 100% of the issued capital of MACA Crushing Pty Ltd, the Group has obtained control of the company.

NOTE 5. BUSINESS COMBINATIONS (CONTINUED)

The purchase was satisfied by the issue of 1,206,505 ordinary shares at an issue price of $1 each. The issue price was based on the market price on date of purchase.

	$
Purchase consideration:	1,206,505
Cash consideration	-
Equity issued as consideration	1,206,505
Total purchase	1,206,505
Fair value of assets acquired (see below)	1,440,957
Discount on acquisition	(234,452)
Investment in subsidiary	1,206,505
Assets and liabilities held at acquisition date	
Cash and cash equivalents	230,073
Trade and other receivables	434,560
Property, plant and equipment	10,126,733
Trade and other payables	(19,309)
Financial liabilities	(9,246,439)
Current tax liabilities	(84,661)
	1,440,957
Purchase consideration settled in cash	-
Cash and cash equivalent in subsidiary acquired	230,073
Cash inflow on acquisition	230,073

Profit before income tax and revenue resulting from the acquisition of MACA Crushing Pty Ltd amounting to $595,049 and $1,558,000 respectively are included in the consolidated statement of comprehensive income for the year ended 30 June 2011.

Had the results relating to MACA Plant Pty Ltd been consolidated from 1 July 2010, consolidated revenue of the consolidated group would have been the same as it currently stands and consolidated profit before tax of the combined group would have been $41,720,005 for the year ended 30 June 2011.

NOTE 6. AUDITORS' REMUNERATION

	2012 $'000	2011 $'000
Remuneration of the parent entity auditors for:		
Auditing or reviewing the financial report	105	75
	105	75

	2012 $'000	2011 $'000
NOTE 7. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)		
Refer to the remuneration report contained in the director's report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2012.		
The totals of remuneration paid to KMP of the company and Group during the year are as follows:		
Short-term employee benefits	3,778	2,429
Post-employment benefits	195	88
Other long-term benefits	250	-
Share based payments	54	966
	4,277	3,483

a) KMP Options and Rights Holdings

The number of options and rights over ordinary shares held by each KMP of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested during the year	Vested and exercisable	Vested and unexercisable
30 June 2012								
David John Edwards	500,000	-	-	-	500,000	-	-	-
Mitch Wallace	200,000	-	-	-	200,000	-	-	-
Geoffrey Alan Baker	-	-	-	-	-	-	-	-
Ross Campbell Williams	-	-	-	-	-	-	-	-
Christopher Mark Tuckwell (resigned 25 July 2012)	-	550,000	-	(550,000)	-	-	-	-
(Hugh) Andrew Edwards	-	-	-	-	-	-	-	-
Joseph Ronald Sweet	-	-	-	-	-	-	-	-
Karen Lesley Field (resigned 30 April 2012)	-	-	-	-	-	-	-	-
Tim Gooch	-	-	-	-	-	-	-	-
Darren Erikssen	-	-	-	-	-	-	-	-
Andrew Sarich	-	-	-	-	-	-	-	-
	700,000	550,000	-	(550,000)	700,000	-	-	-
30 June 2011								
David John Edwards	-	500,000	-	-	500,000	-	-	-
Mitch Wallace	-	200,000	-	-	200,000	-	-	-
Geoffrey Alan Baker	-	-	-	-	-	-	-	-
Ross Campbell Williams	-	-	-	-	-	-	-	-
Christopher Mark Tuckwell	-	-	-	-	-	-	-	-
(Hugh) Andrew Edwards	-	-	-	-	-	-	-	-
Joseph Ronald Sweet	-	-	-	-	-	-	-	-
Karen Lesley Field	-	-	-	-	-	-	-	-
Tim Gooch	-	-	-	-	-	-	-	-
Andrew Sarich	-	-	-	-	-	-	-	-
James Edward Moore	-	-	-	-	-	-	-	-
Francis Joseph Maher	-	-	-	-	-	-	-	-
	-	700,000	-	-	700,000	-	-	-

NOTE 7. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP) (CONTINUED)

b) KMP Shareholdings

The number of ordinary shares in MACA Limited held by each KMP of the Group during the financial year is as follows:

	Balance at beginning of year*	Granted as remuneration during the year	Increase other	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2012						
David John Edwards	21,000,000	-	-	-	(4,000,000)	17,000,000
Geoffrey Alan Baker	21,000,000	-	-	-	(3,000,000)	18,000,000
Tim Gooch	-	-	-	-	-	-
Ross Campbell Williams	9,000,000	-	-	-	(4,500,000)	4,500,000
Christopher Mark Tuckwell (resigned 25 July 2012)	1,000,000	-	-	-	(300,000)	700,000
(Hugh) Andrew Edwards	20,000	-	-	-	-	20,000
Joseph Ronald Sweet	100,000	-	-	-	-	100,000
Karen Lesley Field (resigned 30 April 2012)	-	-	-	-	-	-
Andrew Sarich	40,000	-	-	-	(2,000)	38,000
Darren Erikssen	-	-	-	-	-	-
Mitch Wallace	-	-	-	-	-	-
	52,160,000	-	-	-	(11,802,000)	40,358,000

	Balance at beginning of year*	Granted as remuneration during the year	Increase other	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2011						
David John Edwards	20,984,361	-	4,504,445	-	(4,488,806)	21,000,000
Geoffrey Alan Baker	20,984,361	-	4,504,445	-	(4,488,806)	21,000,000
Francis Joseph Maher*	20,984,361	-	4,504,445	-	(6,488,806)	19,000,000
James Edward Moore*	20,984,361	-	4,504,445	-	(6,488,806)	19,000,000
Ross Campbell Williams	9,792,702	-	2,102,074	-	(2,894,776)	9,000,000
Christopher Mark Tuckwell	-	946,769	203,231	-	(150,000)	1,000,000
(Hugh) Andrew Edwards	-	-	-	-	20,000	20,000
Joseph Ronald Sweet	-	-	-	-	100,000	100,000
Karen Lesley Field	-	-	-	-	-	-
Andrew Sarich	-	-	-	-	40,000	40,000
Tim Gooch	-	-	-	-	-	-
Mitch Wallace	-	-	-	-	-	-
	93,730,146	946,769	20,323,085	-	(24,840,000)	90,160,000

* No longer KMP

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 31: Related Party Transactions.

	Note	2012 $'000	2011 $'000
NOTE 8. DIVIDENDS			
Distributions paid:			
Interim fully franked ordinary dividend of $0.035 (2011: $0.03) per share franked at the tax rate of 30% (2011: 30%)		5,250	4,500
2011 final dividend (fully franked) of $0.03 per share paid in 2012 (2011: $0.0578)		4,500	6,500
		9,750	11,000
Total dividends per share for the period		0.08	0.06
Proposed final fully franked ordinary dividend of $0.045 (2011: $0.03) per share franked at the tax rate of 30% (2011: 30%)		6,750	4,500
Balance of franking account at year end adjusted for credits arising from payment of provision of income tax and debits arising for income tax and dividends recognised as receivables, franking credits that may be prevented from distribution in subsequent financial year as per the income tax return at 30 June 2012 being the latest tax year end to balance date.		27,651	20,426
Subsequent to year end the franking account would be reduced by the proposed dividend		(2,893)	(1,929)
NOTE 9. EARNINGS PER SHARE			
a. Reconciliation of earnings to profit and loss			
Profit		37,305	28,721
Profit attributable to non controlling interest		370	(1,641)
Earnings used to calculate basic EPS		37,675	27,080
Earnings used in the calculation of dilutive EPS		37,675	27,080
b. Weighted average number of ordinary shares outstanding during the year in calculating basic EPS		150,000	137,453
Weighted average number of dilutive options outstanding		4,093	2,782
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS		154,093	140,234
NOTE 10. CASH AND CASH EQUIVALENTS			
Cash at bank	25	39,879	50,563
NOTE 11. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade debtors		58,764	28,669

a. Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 11. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

NOTE 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

a. Credit risk (Continued)

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of acceptable credit quality.

	Gross amount $'000	Past due and impaired $'000	Past due but not impaired (months overdue) < 1 month $'000	Within initial trade terms $'000
30 June 2012				
Trade and term receivables	58,764	-	21,184	37,580
Other receivables	-	-	-	-
Total	58,764	-	21,184	37,580
30 June 2011				
Trade and term receivables	28,577	-	8,650	19,927
Other receivables	-	-	-	-
Total	28,577	-	8,650	19,927

Neither the Group nor parent entity holds any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

	Note	2012 $'000	2011 $'000
b. Financial assets classified as loans and receivables			
Trade and other receivables			
- Total current		58,764	28,669
- Total non-current		-	-
		58,764	28,669

	2012 $'000	2011 $'000
NOTE 12. OTHER ASSETS		
CURRENT		
Prepayments	2,309	405
Deposit	1,899	
	4,208	405
NOTE 13. FINANCIAL ASSETS		
NON CURRENT		
Available for Sale Financial Assets:	3,488	3,294
Shares in listed corporations, at fair value	3,488	3,294

NOTE 14. INVESTMENTS ACCOUNTING FOR USING THE EQUITY METHOD

Associated companies:

				Ownership Interest		Carrying Amounts Of Investment	
				2012	2011	2012	2011
Name	Principal Activities	Country Of Incorporation	Shares	%	%	$'000	$'000
Riverlea Corporation Pty Ltd	Civil Contracting	Australia	Ord	-	33.3	-	500,000

An additional 26.67% of Riverlea was acquired resulting in a business combination. Refer to note 15 for further details.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	Country of Incorporation	Percentage Owned (%)* 2012	2011
NOTE 15. CONTROLLED ENTITIES			
Parent entity:			
MACA Limited	Australia	-	-
Subsidiaries:			
MACA Mining Pty Ltd (formally Mining & Civil Australia Pty Ltd)	Australia	100%	100%
MACA Plant Pty Ltd	Australia	100%	100%
MACA Crushing Pty Ltd	Australia	100%	100%
MACA Civil Pty Ltd	Australia	60%	60%
Riverlea Corporation Pty Ltd	Australia	60%	33.3%
MACA Civil Plant Pty Ltd	Australia	60%	-

* Percentage of voting power in proportion to ownership

Acquisition of Controlled Entities

During the 2012 financial year the parent entity, MACA Limited acquired a further interest in Riverlea Corporation Pty Ltd. Refer to details of these transactions in Note 5: Business Combinations. MACA Civil Plant Pty Ltd was incorporated during the current financial year.

	2012 $'000	2011 $'000
NOTE 16. PROPERTY, PLANT & EQUIPMENT		
PLANT AND EQUIPMENT		
Plant and equipment – at cost	187,106	120,351
Accumulated depreciation	(77,964)	(52,706)
	109,142	67,645
Motor vehicles – at cost	8,547	5,876
Accumulated depreciation	(4,373)	(3,476)
	4,174	2,400
Leased plant and equipment – at cost	1,080	1,440
Accumulated depreciation	(1,080)	(1,440)
	-	-
Low value pool – at cost	59	52
Accumulated depreciation	(47)	(42)
	12	10
Leasehold improvements – at cost	552	292
Accumulated depreciation	(48)	(19)
	504	273
Total plant and equipment	113,832	70,328
Total property, plant and equipment	113,832	70,328

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Consolidated:	Land and Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Leased plant and equipment $'000	Low value Pool $'000	Leasehold improvements $'000	Total $'000
Opening balance at 1 July 2010	338	45,493	2,737	-	8	157	48,734
Additions	-	43,355	1,081	-	6	127	44,568
Disposals	(338)	(104)	(132)	-	-	-	(574)
Additions through acquisition of entities	-	-	-	-	-	-	-
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Depreciation expense	-	(21,098)	(1,286)	-	(4)	(11)	(22,400)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-	0
Balance at 30 June 2011	-	67,646	2,400	-	10	273	70,328
Opening balance at 1 July 2011	-	67,646	2,400	-	10	273	70,328
Additions	-	69,612	3,118	-	7	260	72,997
Disposals	-	(623)	(299)	-	-	-	(923)
Additions through acquisition of entities	-	413	294	-	-	-	708
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Depreciation expense	-	(27,906)	(1,339)	-	(5)	(29)	(29,278)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-	-
Balance at 30 June 2012		109,142	4,174		12	504	113,832

NOTE 17. TAX

	Note	2012 $'000	2011 $'000
(a) Liabilities			
CURRENT			
Income tax		8,442	4,034
NON-CURRENT			
Deferred tax liability comprises:			
Prepayments		58	97
Other		373	304
Total		431	401
(b) Assets			
NON-CURRENT			
Deferred tax assets comprises:			
Provisions		1,972	1,012
Other		375	500
Total		2,347	1,512

	Note	2012 $'000	2011 $'000
NOTE 17. TAX (CONTINUED)			
(c) Reconciliations			
(i) Gross movements			
The overall movement in the deferred tax account is as follows:			
Opening balance		1,111	192
(Charge)/credit to income statement		752	682
(Charge)/credit to equity		53	237
Closing balance		1,916	1,111
(ii) Deferred tax liabilities			
The movement in deferred tax liabilities for each temporary difference during the year is as follows:			
Other:			
Opening balance		401	281
Charge / (Credit) to income statement		(28)	(143)
Charge / (Credit) to equity		58	263
Closing balance		431	401
(iii) Deferred tax assets			
The movement in deferred tax assets for each temporary difference during the year is as follows:			
Provisions:			
Opening balance		1,003	473
Credit to income statement		969	530
Closing balance		1,972	1,003
Other:			
Opening balance		500	-
Credit to equity		(125)	500
Closing balance		375	500
NOTE 18. TRADE AND OTHER PAYABLES			
CURRENT			
Unsecured Liabilities:			
Trade creditors		32,608	20,306
Sundry creditors and accruals		7,277	4,714
		39,885	25,020
Creditors are non-interest bearing and settled at various terms up to 45 days.			
Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
- Total current		39,885	25,020
- Total non-current		-	-
		39,885	25,020

	Note	2012 $'000	2011 $'000
NOTE 19. FINANCIAL LIABILITIES			
CURRENT			
Secured Liabilities:			
Finance lease liability		22,029	18,153
		22,029	18,153
NON-CURRENT			
Secured Liabilities			
Finance lease liability		32,800	18,966
		32,800	18,966
a. Total current and non-current secured liabilities:			
Finance lease liability	22	54,829	37,120
		54,829	37,120
b. The carrying amounts of non-current assets pledged as security are:			
Finance lease liability		53,323	33,728
		53,323	33,728

NOTE 20. PROVISIONS

	2012 $'000	2011 $'000
CURRENT		
Employee Entitlements	5,327	2,565

a. Movement in provisions:

Consolidated:	Employee entitlements	Total
Opening balance as at 1 July	2,565	1,577
Additional provisions	4,955	3,869
Amounts used	(2,193)	(2,881)
Closing balance as at 30 June	5,327	2,565

b. Provision for employee benefits

A provision has been recognised for employee benefits relating to statutory leave for employees. The measurement and recognition criteria for employee benefits have been included in Note 1.

	Note	2012 $'000	2011 $'000

NOTE 21. ISSUED CAPITAL

	Note	2012 $'000	2011 $'000
150,000,000 (2011:150,000,000) Fully paid ordinary shares with no par value		35,695	35,571

a. Ordinary shares:

	2012 No.	2011 No.
At the beginning of the reporting period	150,000,000	134
Converted into 2 shares on incorporation	-	(132)
Shares issued during the year		
- 2 September 2010 Acquisition of MACA Plant Pty Ltd	-	56,737,315
- 2 September 2010 Acquisition of MACA Crushing Pty Ltd	-	1,206,505
- 2 September 2010 Redemption of nominees shares	-	(2)
- 3 September 2010 Acquisition of minority interest in MACA Mining Pty Ltd (formerly Mining and Civil Australia Pty Ltd)	-	35,786,326
- 4 September 2010 Share based payments	-	946,769
- 16 September 2010 Share split	-	20,323,085
- 28 October 2010 Initial Public Offering	-	35,000,000
At reporting date	150,000,000	150,000,000

The company has no authorised share capital.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Capital Management:

Management controls the capital of the Group in order to maintain a prudent debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Note	2012 $'000	2011 $'000
Total borrowings	28	54,829	37,120
Less cash and cash equivalents	10	(39,879)	(50,563)
Net debt		14,950	(13,443)
Total equity		117,251	88,243
Total capital		132,201	74,800
Gearing ratio		11%	(18%)

	Note	2012 $'000	2011 $'000
NOTE 22. CAPITAL & LEASING COMMITMENTS			
(a) Capital expenditure commitments			
Capital expenditure commitments contracted for:			
Plant and equipment purchases		47,259	34,484
Payable			
- not later than 12 months		47,259	34,484
- between 12 months and 5 years		-	-
- greater than 5 years		-	-
Minimum Commitments		47,259	34,484
(b) Finance lease commitments			
Payable — minimum lease payments			
- not later than 12 months		25,039	20,176
- between 12 months and 5 years		35,403	20,184
- greater than 5 years		-	-
Minimum lease payments		60,442	40,360
Less: Future Finance Charges		(5,613)	(3,240)
	19	54,829	37,120
(c) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the accounts:			
Payable — minimum lease payments			
- not later than 12 months		652	1,062
- between 12 months and 5 years		-	652
- greater than 5 years		-	-
		652	1,714

NOTE 23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities.

NOTE 24. OPERATING SEGMENTS

The group information presented in the financial report is the information that is reviewed by the Board of Directors (Chief operating decision maker) in assessing performance and determining the allocation of resources.

Identification of Reportable Segment

The Group identifies its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates predominantly in two business and one geographical segment being the provision of civil and contract mining services to the mining industry throughout Australia. A new segment was identified for the Group for this reporting period. This is as a result of the Group's diversification into civil contracting. Accordingly, the identified segment has been included in these financial statements.

Basis of Accounting for Purposes of Reporting by Operating Segments

Accounting Policies Adopted

Unless otherwise stated, all amounts reported to the Board of Directors as the chief operating decision maker, is in accordance with accounting policies that are consistent to those adopted in the financial statements of the Company.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

NOTE 24. OPERATING SEGMENTS (CONTINUED)

Basis of Accounting for Purposes of Reporting by Operating Segments (Continued)

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- head office and other administration expenditure

	Contract Civil Services $'000	Contract Mining Services $'000	Total Operations $'000
(a) Segment performance			
30 June 2012			
Revenue			
External sales	40,613	294,271	334,884
Total segment revenue	40,613	294,271	334,884
Reconciliation of segment revenue to group revenue			
Other income	(41)	9,318	9,277
Total group income	40,572	303,589	344,161
Segment net profit before tax	(924)	54,925	54,001
Reconciliation of segment result to net profit before tax:			
Unallocated items:			
- Head office and other administration expenditure			(373)
Net profit before tax from continuing operations			53,628
30 June 2011			
Revenue			
External sales		249,226	249,226
Total segment revenue		249,226	249,226
Reconciliation of segment revenue to group income			
Other income		9,257	9,257
Total group revenue		258,483	258,483
Segment net profit before tax		42,516	42,516
Reconciliation of segment result to net profit before tax:			
Unallocated items:			
- Head office and other administration expenditure			(1,083)
Net profit before tax from continuing operations			41,433

NOTE 24. OPERATING SEGMENTS (CONTINUED)

(b) Segment assets

	Contract Civil Services $'000	Contract Mining Services $'000	Total Operations $'000
30 June 2012			
Segment assets			
Opening balance 1 July 2011	-	101,514	101,514
Additions through business combination	-	-	-
Additions	7,874	71,986	79,860
Disposals	(564)	(358)	(922)
Other movements in segment assets	-	-	-
Closing balance 30 June 2012	7,310	173,142	180,452
Reconciliation of segment assets to group assets			
Unallocated assets:			
- Cash			39,878
- financial assets			3,488
- deferred tax assets			2,347
Total group assets			226,165
30 June 2011			
Segment assets			
Opening balance 1 July 2010	-	82,355	82,355
Additions through business combination	-	-	-
Additions	-	19,159	19,159
Disposals	-	-	-
Other movements in segment assets	-	-	-
Closing balance 30 June 2011	-	101,514	101,514
Reconciliation of segment assets to group assets			
Unallocated assets:			
- cash			50,563
- financial assets			3,793
- deferred tax assets			1,512
Total group assets			157,382

NOTE 24. OPERATING SEGMENTS (CONTINUED)

(c) Segment liabilities

	Contract Civil Services $'000	Contract Mining Services $'000	Total Operations $'000
30 June 2012			
Segment liabilities			
Opening balance 1 July 2011	-	64,704	64,704
Additions	6,418	28,919	35,337
Disposals	-	-	-
Closing balance 30 June 2012	6,418	93,623	100,041
Reconciliation of segment liabilities to group liabilities			
Unallocated assets:			
- current tax liabilities			8,442
- deferred tax liabilities			431
Total group liabilities			108,914
30 June 2011			
Segment liabilities			
Opening balance 1 July 2010	-	58,251	58,251
Additions	-	6,453	6,453
Disposals	-	-	-
Closing balance 30 June 2011	-	64,704	64,704
Reconciliation of segment liabilities to group liabilities			
Unallocated assets:			
- current tax liabilities			4,034
- deferred tax liabilities			401
Total group liabilities			69,139

All revenue is sourced from Australia.

	Note	2012 $'000	2011 $'000
NOTE 25. CASH FLOW INFORMATION			
(a) Reconciliation of Cash			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash and cash equivalents		39,879	50,563
Bank overdraft			-
		39,879	50,563
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax			
Operating profit after income tax		37,305	28,721
Non-cash flows in profit from ordinary activities			
Depreciation and amortisation		29,278	22,792
Equity Adjustment		-	197
Net (gain)/loss on disposal of plant and equipment		(43)	(647)
Discount on acquisition of MACA Plant Pty Ltd		(352)	(234)
Share based payment		358	1,073
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		(32,124)	6,171
(Increase)/decrease in other assets		(1,774)	94
(Increase)/decrease in inventories		(1,536)	(1,868)
Increase/(decrease) in trade and other payables		15,343	(1,664)
Increase/(decrease) in income tax payable		4,408	3,074
Increase/(decrease) in deferred tax payable		(806)	(919)
Increase/(decrease) in provisions		2,763	988
		52,820	57,778

(c) Non-cash financing and Investing Activities

During the year the economic entity acquired plant and equipment with an aggregate value of $40,093,203 (2011: $15,106,540) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

Acquisition of Entities

During the year the economic entity did not acquire any entities by non-cash means (2011 $93,730,146)

2011

On 2 September 2010, MACA Limited acquired 100% of the issued capital of MACA Plant Pty Ltd, (including its subsidiary MACA Mining Pty Ltd, formerly Mining and Civil Australia Pty Ltd).

	2012 $'000	2011 $'000
Purchase consideration, consisting of:		
- Issue of 92,532,641 ordinary shares at $1		92,524
Total consideration		92,524
Fair value of issued shares in MACA Plant Pty Ltd		92,524
Total fair value of issued shares in MACA Plant Pty Ltd		92,524

On 2 September 2010, the Group acquired 100% of the issued capital of MACA Crushing Pty Ltd.

	2012 $'000	2011 $'000
Purchase consideration, consisting of:		
- Issue of 1,206,505 ordinary shares at $1		1,206
Total consideration		1,206

NOTE 25. CASH FLOW INFORMATION (CONTINUED)

	Note	2012 $'000	2011 $'000
(c) Non-cash financing and Investing Activities (Continued)			
Cash consideration			-
Cash outflow			-
Assets and liabilities held at acquisition date:			
Cash and cash equivalents			230
Trade and other receivables			434
Property, plant and equipment			10,127
Trade and other payables			(19)
Financial liabilities			(9,246)
Current tax liabilities			(85)
			1,441
Fair value of previously held interest in MACA Plant Pty Ltd			-
Discount on consolidation			(235)
Minority equity interest in acquisitions			-
			1,206

NOTE 26. SHARE-BASED PAYMENTS

(a) There were no options issued for the year ended 30 June 2012. The weighted average fair value of options granted during the previous year was $0.2745.

A summary of the movements of all company options issues is as follows:

	Number	Weighted average exercise price
Options outstanding as at 30 June 2010	-	-
Granted	4,602,993	1.15
Forfeited	(424,963)	1.15
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2011	4,178,030	1.15
Granted		
Forfeited	(170,000)	1.15
Exercised	-	-
Expired	-	
Options outstanding as at 30 June 2012	4,008,030	1.15
Options exercisable as at 30 June 2012:	-	-
Options exercisable as at 30 June 2011:	-	-

As at the date of exercise, the weighted average share price of options exercised during the year was $Nil.

All options expire on 1 January 2014, and are exercisable between 2 November 2013 to 1 January 2014. The exercise price of all outstanding options at the end of the reporting period was $1.15. The weighted average remaining contractual life of the options outstanding at year end was 1.5 years

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

(b) Performance Rights

550,000 Performance Rights were issued to Mr Tuckwell on 3 January 2012 for nil cash consideration. These rights were subject to him remaining in continuous employment with the Company and to specified performance criteria which needed to be satisfied over a specified period of time before the Performance Rights could vest. The Rights were independently valued at $594,000 using a Monte-Carlo simulation model.

The Performance Period was the period beginning on 1 July 2011 and ending on 30 June 2014, but as Mr Tuckwell resigned the rights were forfeited.

NOTE 26. SHARE-BASED PAYMENTS (CONTINUED)

	Number
(b) Performance Rights (Continued)	
Rights outstanding as at 30 June 2011	-
Granted	550,000
Forfeited	(550,000)
Rights outstanding as at 30 June 2012	-

NOTE 27. EVENTS AFTER THE BALANCE SHEET DATE

MACA Limited has appointed Mr Doug Grewar as the Company's Chief Executive Officer and Managing Director, which will take effect from 1 October 2012.

MACA Limited has appointed Mr Linton Kirk as a Non-Executive Director of the Company with effect from 1 October 2012.

MACA Civil Pty Ltd has been awarded a project with Main Roads Western Australia ('MRWA') with projected revenue being approximately $60 million over 12 months commencing October 2012 (Refer ASX Release dated 24/9/2012).

NOTE 28. FINANCIAL RISK MANAGEMENT

Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2012 $'000	2011 $'000
Financial Assets			
Cash and cash equivalents	10	39,879	50,563
Loans and receivables			
- Trade and other receivables	11(b)	58,764	28,669
Available-for-sale financial assets:			
- at fair value			
- listed investments	13	3,488	3,294
Total Financial Assets		102,131	82,526
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	18	39,885	25,020
- Borrowings	19	54,829	37,120
Total Financial Liabilities		94,714	62,140

Financial Risk Management Policies

The Board of Directors ("the Board") is responsible for, amongst other issues, monitoring and managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk.

NOTE 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Committee has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through insurance, title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries (refer Note 11 for details).

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 11(a).

Trade and other receivables that are neither past due or impaired are considered to be of acceptable quality. Aggregates of such amounts are as detailed in Note 11(a).

Credit risk related to balances held with banks and other financial institutions are only invested with counterparties with a Standard & Poors rating of at least AA-.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group's policy is to ensure that all hire purchase agreements entered into, are over a period that will ensure that adequate cash flows will be available to meet repayments.

The tables below reflect an undiscounted (except for finance lease liabilities) contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

NOTE 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2012 '000	2011 '000	2012 '000	2011 '000	2012 '000	2011 '000	2012 '000	2011 '000
Financial liabilities due for payment								
Trade and other payables	39,885	25,020		-	-	-	39,885	25,020
Finance lease liabilities	22,029	18,153	32,800	18,967	-	-	54,829	37,120
Total contractual outflows	61,914	43,173	32,800	18,967	-	-	94,714	62,140
Total expected outflows	61,914	43,173	32,800	18,967	-	-	94,714	62,140
Financial assets — cash flows realisable								
Cash and cash equivalents	39,879	50,563	-	-	-	-	39,879	50,563
Trade, term and loans receivables	58,764	28,669	-	-	-	-	58,764	28,669
Other investments	-	-	3,488	3,294	-	-	3,488	3,294
Total anticipated inflows	98,643	79,232	3,488	3,294	-	-	102,131	82,526
Net (outflow)/inflow on financial instruments	36,729	36,059	(29,312)	(15,673)	-	-	7,417	20,386

Financial assets pledged as collateral

No financial assets have been pledged as security for debt.

c. Market Risk

i. Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Fixed Interest Rate				Non-interest Bearing		Total		Weighted Average Effective Interest Rate	
			Within 1 Year		1 to 5 Years							
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 %	2011 %
Financial Assets:												
Cash	39,879	50,563	-	-	-	-		-	39,879	50,563	3.24	3.88
Trade and other receivables	-	-	-	-	-	-	58,764	28,669	58,764	28,669		N/A
Total Financial Assets	39,879	50,563	-	-	-	-	58,764	28,669	98,643	79,232		
Financial Liabilities:												
Finance lease	-	-	25,039	20,176	35,403	20,184	-	-	60,442	40,360	6.58	7.35
Trade and other payables	-	-	-	-	-	-	39,885	25,020	39,885	25,020		N/A
Total Financial Liabilities	-	-	25,039	20,176	35,403	20,184	39,885	25,020	100,327	65,380,300		

ii. Price Risk

The Group is also exposed to securities price risk on investments held for trading or for medium to longer terms. The risk associated with these investments has been assessed as reasonably not having a significant impact on the Group.

iii. Foreign exchange risk

The group is not exposed to fluctuations in foreign currencies.

NOTE 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of financial assets and financial liabilities approximate the carrying values in the financial statements.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) Level 3.

Included within Level 1 for the current and previous reporting periods are listed investments. The fair value of these assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs. The Group does not have other material instruments within the fair value hierarchy.

	2012 $'000	2011 $'000
NOTE 29. PARENT INFORMATION		
The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.		
STATEMENT OF FINANCIAL PERFORMANCE		
ASSETS		
Current assets	33,496	33,256
TOTAL ASSETS	128,127	127,488
LIABILITIES		
Current liabilities	194	253
TOTAL LIABILITIES	194	253
EQUITY		
Issued capital	127,594	127,594
Option reserve	484	126
(Accumulated losses)/ Retained profits	(145)	(485)
TOTAL EQUITY	127,933	127,235
STATEMENT OF FINANCIAL PERFORMANCE		
(Loss)/ Profit for the year	340	(485)
Total comprehensive income	340	(485)

NOTE 29. PARENT INFORMATION (CONTINUED)

Guarantees

MACA Limited has entered into guarantees for certain equipment finance facilities in the current financial year, in relation to the debts entered into by its subsidiaries.

Contingent liabilities

There were no contingent liabilities as at 30 June 2012 (2011: none).

Contractual commitments

	2012 $'000	2011 $'000
Plant and equipment		
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
Total	-	-

NOTE 30. COMPANY DETAILS

The registered office is:
MACA Limited
C/- Level 1, 12 King's Park Road
West Perth, Western Australia 6005

The principal place of business is:
MACA Limited
96 Ewing Street
Welshpool, Western Australia, 6106

NOTE 31. RELATED PARTY TRANSACTIONS

(a) The Group's main related parties are as follows:

i. *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 7: Interests of Key Management Personnel (KMP).

Information regarding individual directors or executives remuneration is provided in the Remuneration Report included in the Director's Report.

ii *Entities subject to significant influence by the Group*

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

For details of interest held in associated companies, refer to Note 14.

iii *Other related parties*

Other related parties include entities over which key management personnel exercise significant influence.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 31. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties:

Other related parties:

Key management person and/or related party	Transaction	2012 $	2011 $
Partnership comprising entities controlled by Mr G.Baker,Mr R.Williams, Mr J.Moore & Mr F.Maher.	Expense - Rent on Ewing St Business premises.	252,000	252,000
Partnership comprising entities controlled by Mr G.Baker,Mr R.Williams, Mr J.Moore, Mr D.Edwards & Mr F.Maher.	Expense - Rent on Sheffield Rd Workshop premises.	169,800	84,900
ADT Western Australia Pty Ltd – a company controlled by former directors Mr J.Moore and Mr F.Maher.	Expense – hire of equipment and purchase of equipment, parts and services.	641,479	1,580,113
Equipment Holdings Pty Ltd – a company controlled by former directors Mr J.Moore and Mr F.Maher.	Expense – hire and purchase of equipment.	Nil	1,983,871
Gateway Equipment Parts & Services Pty Ltd – a company controlled by current directors Mr G.Baker and Mr R.Williams and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.	Expense – hire of equipment and purchase of equipment, parts and services.	1,117,351	1,094,587
Gateway Equipment Parts & Services Pty Ltd – a company controlled by current directors Mr G.Baker and Mr R.Williams and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.	Revenue – sale of equipment	385,000	240,000

Amounts payable at year end arising from the above transactions (Receivables Nil)	2012 $	2011 $
ADT Western Australia Pty Ltd – a company controlled by former directors Mr J.Moore and Mr F.Maher.	10,786	116,091
Equipment Holdings Pty Ltd – a company controlled by former directors Mr J.Moore and Mr F.Maher.	Nil	Nil
Gateway Equipment Parts & Services Pty Ltd – a company controlled by current directors Mr G.Baker and Mr R.Williams and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.	137,742	123,048

NOTE 32. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

NOTE 32. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (CONTINUED)

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Group.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Group.

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Group.

- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

(i) for an offer that may be withdrawn – when the employee accepts;
(ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements set out on pages 30 to 68 are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company and consolidated group;
2. the Operations Director (acting as Chief Executive Officer) and Chief Finance Officer have each given the declarations required by S295A.

In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Ross Williams
Finance Director
Dated at Perth this 27th day of September 2012

INDEPENDENT AUDITOR'S REPORT

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of MACA Limited which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of MACA Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Auditor's Opinion

In our opinion:

a. the financial report of MACA Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report as included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion the remuneration report of MACA Limited for the year ended 30 June 2012 complies with s 300A of the *Corporations Act 2001*.

Moore Stephens

Moore Stephens
Chartered Accountants

Neil Pace

Neil Pace
Partner

Signed at Perth this 27th day of September 2012.

SHAREHOLDER INFORMATION

As at 31 August 2012

1. Numbers of Holders of Equity Securities

a. Ordinary Share Capital

150,000,000 fully paid ordinary shares are held by 1,665 individual shareholders.

b. Listed Options

There are no listed options.

c. Unlisted Options

4,008,030 unlisted options exercisable after 2 November 2013 are held by 65 individual holders

d. Distribution of Holders of Equity Securities as of 31 August 2012

	Total Holders	Units	% of issued capital
1 - 1,000	218	138,156	0.09
1,001 – 5,000	709	2,177,628	1.45
5,001 – 10,000	361	3,008,249	2.01
10,001 – 100,000	339	9,005,171	6.00
100,001 – and over	38	135,670,796	90.45
Total	1,665	150,000,000	100.00

e. Substantial Share and Option Holders

The names of the substantial shareholders listed in the Company's register as at 31 August 2012:

		Number
1.	Gemblue Nominees Pty Ltd <The G A Baker Family A/C>	18,000,000
2.	Mining & Civil Management Services Pty Ltd	17,000,000
3.	Mr Francis Joseph Maher + Ms Sharon Jane Maher <The Maher Family A/C>	16,800,000
4.	National Nominees Limited	16,412,442
5.	HSBC Custody Nominees (Australia) Limited	14,558,342
6.	Mr James Edward Moore + Ms Julia Catherine Moore	13,000,000
7.	J P Morgan Nominees Australia Limited	9,651,956

The names of the substantial option holders listed in the Company's register as at 31 August 2012:

	Number	Exercise Price	Expiry Date
Mr David Edwards	500,000	1.15 cents	1 Jan 2014

f. Other Information

The voting rights attached to ordinary shares are governed by the Constitution of the Company. On a show of hands every person present who is a Member or representative of a Member shall have one vote on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

g. Unmarketable Parcels

As at 31 August 2012, there were 28 holders who held shares that were unmarketable parcels.

2. Twenty Largest Shareholders

	Name	Number	Percentage
1.	Gemblue Nominees Pty Ltd <The G A Baker Family A/C>	18,000,000	12.00
2.	Mining & Civil Management Services Pty Ltd	17,000,000	11.33
3.	Mr Francis Joseph Maher + Ms Sharon Jane Maher <The Maher Family A/C>	16,800,000	11.20
4.	National Nominees Limited	16,412,442	10.94
5.	HSBC Custody Nominees (Australia) Limited	14,558,342	9.71
6.	Mr James Edward Moore + Ms Julia Catherine Moore	13,000,000	8.67
7.	J P Morgan Nominees Australia Limited	9,651,956	6.43
8.	UBS Nominees Pty Ltd	6,292,969	4.20
9.	BNP Paribas Noms Pty Ltd <Master Cust Drp>	4,917,193	3.28
10.	Mr Ross Campbell Williams <Williams Trading A/C>	4,500,000	3.00
11.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	3,573,095	2.38
12.	Citicorp Nominees Pty Limited	1,960,784	1.31
13.	JP Morgan Nominees Australia Limited <Cash Income A/C>	1,348,471	0.90
14.	Buttonwood Nominees Pty Ltd	1,000,000	0.67
15.	Bond Street Custodians Limited <Celeste Concentrated Fund>	785,264	0.52
16.	Mr Christopher Mark Tuckwell <Tuckwell Family A/C>	700,000	0.47
17.	Aust Executor Trustees Ltd <Charitable Foundation>	602,101	0.40
18.	Suncorp Custodian Services Pty Limited <Sgaeat>	589,382	0.39
19.	Escor Investments Pty Ltd	500,000	0.33
20.	Bond Street Custodians Ltd <Macquarie Smaller Co's A/C>	477,549	0.32

3. Twenty Largest Listed Option Holders

There were no listed options at the date of this report.

4. Restricted Securities

There were no restricted securities at the date of this report.

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www.maca.net.au

maca Limited

ABN 42 144 745 782

Certified System Environment ISO 14001 SAI GLOBAL

Certified System Health & Safety AS 4801 SAI GLOBAL

Certified System Quality ISO 9001 SAI GLOBAL