



ABN 42 144 745 782

ANNUAL REPORT  
**2014**



Standing from left to right: **Ross Williams** Non-Executive Director, **Andrew Edwards** Non-Executive Chairman, **Geoff Baker** Operations Director, **Linton Kirk** Non-Executive Director.  
Sitting from left to right: **Peter Gilford** Company Secretary, **Chris Tuckwell** Managing Director.

## CORPORATE DIRECTORY

### **MACA Limited**

ABN 42 144 745 782

### **Directors**

#### **Andrew Edwards**

Non Executive Chairman

#### **Chris Tuckwell**

Managing Director  
(appointed 4 August 2014)

#### **Geoff Baker**

Operations Director

#### **Ross Williams**

Non Executive Director

#### **Linton Kirk**

Non Executive Director

### **Company Secretary**

**Peter Gilford**

### **Registered Office**

45 Division Street  
WELSHPOOL WA 6106  
Telephone: (08) 6242 2600  
Facsimile: (08) 6242 2677

### **Solicitors**

Steinpreis 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](http://www.maca.net.au)



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## ABOUT MACA

**MACA IS A SUCCESSFUL MINING SERVICES AND CIVIL CONSTRUCTION GROUP PROVIDING OPEN PIT CONTRACTING SERVICES TO THE MINING INDUSTRY INCLUDING LOADING AND HAULING, DRILLING AND BLASTING, CRUSHING AND SCREENING AND CIVIL INFRASTRUCTURE SERVICES TO PUBLIC AND PRIVATE INDUSTRY.**

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'). In every year following the listing, MACA has delivered on its earnings forecasts and maintains continuing positive forward projections based on its solid financial and operational capacity.

MACA's mining business specialises in providing mining and crushing services predominantly to mid-size mining projects across a range of commodities. Through its dedicated civil construction business, MACA provides a broad range of civil infrastructure services to government and private organisations. The Group currently employs a workforce in excess of 1300 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 2014.

I am pleased to advise that in 2014 MACA has continued its history of delivering strong operating and financial outcomes. Net profit after tax was a record \$55.4 million, up 12% on the previous year, a very pleasing performance given the subdued economic conditions within the mining services sector and the adverse impact of the disruption which occurred at the Duketon operations in the second half of the year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) grew by nearly 19% to \$138 million, testament to MACA's ability to work proactively and efficiently with its clients across the Company's portfolio of projects. Your Company's strong balance sheet enabled MACA to provide working capital support to its client following the Duketon disruption and this led to a reduction in operating cash flow for the year. However, operating cash flow is expected to return to normal operating patterns in the current year.

In the light of this strong financial performance, MACA has declared a final dividend of 7.5 cents per share, bringing the total 'operating dividends' for the year to 14 cents per share fully franked, a 40% increase on the previous year. In addition, a special dividend of 30 cents per share fully franked was paid in March of this year and a further special dividend of 25 cents per share was declared subsequent to year end which will be paid on 1 October. These special dividends flowed from the Board's desire to release to shareholders the value of stored franking credits held within the Company.

Two separate capital raisings have occurred to replenish the funds utilised for the special dividends. In consequence, the Company has retained significant cash resources so as to be well placed to both pursue future growth opportunities and continue to support its clients' operations where required. At 30 June cash on hand was \$104.5 million and net cash (net of debt) was \$6.7million. The capital raisings also added liquidity to trading in your Company's shares.

The Board and management have maintained their focus on the safety of the Company's workforce. Very pleasingly, there were no Lost Time Injuries recorded during the reporting period, which remains well below industry benchmarks. We will continue to relentlessly pursue the objective of zero harm for all of the Company's employees and contractors.

The Company also continues to actively engage with the community and is a proud supporter of the Sunsuper Ride to Conquer Cancer, the Princess Margaret Hospital Foundation and West Australian Symphony Orchestra.

MACA's performance over the past year is in no small way attributable to the work ethic of our people and I would like to express my appreciation to the management and staff for their hard work over the past year. Since year end, Chris Tuckwell has rejoined the Company as Managing Director and we are pleased to welcome him back.

I would also like to thank my fellow directors for their support and contribution. In July, the Board farewelled Joe Sweet who played a key role in helping MACA through its successful transition from private to public ownership, and we wish Joe all the very best in his retirement. The other board change is that Ross Williams, one of MACA's founders, has moved from an executive to non executive director role.

The Board and management remain positive about the future outlook for your Company. At 30 June, MACA's order book stood at \$1.3 billion. In July the Company announced it had been awarded a contract with Karara Mining Limited with respect to the Hinge DSO Project which is expected to be worth \$90 million over 17 months, and further prospective opportunities are being actively pursued across both the Mining and Civil businesses.

The Board will continue to seek to maximise returns to shareholders concurrent with the objective of the Company continuing its profitable growth path.



**Andrew Edwards**  
Chairman



## HIGHLIGHTS

Operating revenue  
up 25.2% to  
\$595.4m

EBITDA up  
18.6% to  
\$138m

Net profit after  
tax up 12% to  
\$55.4m

Cash on hand  
of \$104.5m. Net  
cash position  
of \$6.7m

Full year  
dividends up  
40% to 14.0c  
fully franked.

# MANAGING DIRECTOR'S REVIEW OF OPERATIONS

**ON THIS, THE 11<sup>th</sup> YEAR OF OPERATION OF MACA AND OUR FOURTH SINCE LISTING IN 2010, I AM PLEASED TO PRESENT MY REVIEW OF THE COMPANY'S PERFORMANCE TO SHAREHOLDERS OF MACA LIMITED.**

MACA continues to perform well across its broad spectrum of projects in both the mining and civil sectors. During the period MACA continued operations at Mt Dove and Abydos for Atlas Iron, Blue Hills for Sinosteel Midwest Corporation, and at Paroo Station for Rosslyn Hill Mining. In addition, MACA continued mining at Rosemont, Garden Well and Moolart Well for Regis Resources, Peculiar Knob for Arrium, and Ellendale for Kimberlery Diamonds. Operations at Pardoo (Atlas) and Plutonic (Barrick) were closed with MACA successfully deploying personnel and equipment to other MACA projects.



**The Company paid a special dividend of 30 cents per share on the 31<sup>st</sup> March 2014 taking the full year dividend to 44 cents**

**The company declared a second special dividend post year end of 25 cents per share to be paid on 1<sup>st</sup> October 2014, taking total fully franked dividends this calendar year to 69 cents.**

**Positive outlook for financial year ended 30 June 2015 and beyond given contracted work in hand position**

MACA's historical financial performance was maintained for the majority of the financial year, driven by high levels of utilisation and a disciplined approach to operational management. A major disruption occurred at the Duketon Operations during the second half of the financial year, resulting in a material impact on earnings (refer ASX release 20 February 2014) for that period. The potential impact of this event was significantly reduced due to proactive management and innovative utilisation of MACA's strong financial position to support its clients. This was reflected in the lower cash flow from operations, which was impacted while MACA provided assistance to clients with extended terms.

The results have been achieved through a number of success factors including:

- A strong focus on the management and execution of our operations
- Commitment to our clients and the relationships in our business

- A high priority towards training and development of our people
- The delivery of services and outcomes through the talent of our workforce who demonstrate the Company's commitment to working safely every day
- The management of our assets which we recognise as an integral component of business success
- A demonstrated commitment to our "Can Do" culture and our promise; *we care; we deliver and we are flexible.*

In April MACA relocated its 3 Perth based operational support units to the one purpose built facility in Welshpool. The move to the new office, warehousing and workshop complex is already assisting the Group to be more aligned and efficient in reducing overheads in an increasingly cost conscious environment.

## MANAGING DIRECTOR'S REVIEW OF OPERATIONS

### FINANCIAL PERFORMANCE

	30 June 2014	30 June 2013	Movement
Revenue	\$595.4m	\$475.9m	25.2%
EBITDA	\$138.0m	\$116.3m	18.6%
EBIT	\$85.5m	\$76.9m	11.2%
Net Profit Before Tax	\$79.6m	\$71.8m	10.9%
Net Profit After Tax	\$55.4m	\$49.5m	12.0%
Contracted Work in Hand	\$1,307m	\$1,713m	(23.7)%
Operating Cash Flow	\$46.8m	\$111.8m	(58.1)%
Earnings per share – basic	30.3 cents	31.5 cents	(3.7)%
Dividends per share (fully franked)	44.0 cents	10.0 cents	340%

Group revenue increased due to continued growth in the core mining segment and a revenue contribution of approximately \$77 million from the civil business.

The after tax profit has increased by 12.0%, from \$49.5 million in 2013 to \$55.4 million for the year ended 30 June 2014. The NPAT margin was adversely impacted by a weather event in February but will not impact FY2015 financial performance. This is reflected in a modest decline in Earnings per Share from 31.5 cents in 2013 to 30.3 in 2014. EBITDA (Earnings before interest, tax, depreciation and amortisation) grew from \$116.3 million in FY2013 to \$138.0 million for the period ending 30 June 2014, again demonstrating consistency in returns of the group.

### DIVIDEND

On the 19<sup>th</sup> August 2014, the board of MACA Limited declared a final dividend for the financial year ending 2014 of 7.5 cents per share, and with a special dividend of 30.0 cents per share declared in February 2014, this brings the full year dividends to 44.0 cents per share fully franked.

The board declared a further fully franked special dividend post year end in August 2014 of 25.0 cents per share.





## MANAGING DIRECTOR'S REVIEW OF OPERATIONS

### OPERATING CASH FLOW AND CAPITAL EXPENDITURE

Operating cash flow for the 12 months ending 30 June 2014 was \$46.8 million. The reduction from the previous year was due to agreed cash management issues in the second half where the Company agreed to a delayed payment structure with various clients.

Capital expenditure for the financial year was \$51 million. Capital was prioritised for the purchase of new and replacement equipment which was funded through a combination of cash and commercial hire purchase agreements.

Assets were purchased to replace specific plant and equipment which had previously been hired and also plant that has been sold off, to meet increased activity levels and for new contract works awarded during the period.

### BALANCE SHEET AND GEARING

Despite the significant increase in revenue and assets employed, the group as at 30 June 2014 remains in a strong financial position with a net cash position of \$6.7 million and with cash on hand of \$104.5 million. During the period MACA successfully raised \$58.95 million (before costs) in a capital raising on the back of declaring the special dividend. This raising had minimal effect on the net cash position and balance sheet strength of the Group as it essentially involved an exchange of retained earnings for share capital (equity).

### ORDER BOOK

As at 30 June 2014 the Company had work-in-hand of \$1,307 million with an average mining contract term of 33 months over 10 major projects.

### OPERATIONS

#### Mining and Crushing

The division's revenue of \$518 million represented 87% of the total group revenue and was derived from continuing operations, the completion of two projects and the commencement of one new project during the period.

Revenue for the year continued to grow in line with increases in project scope and the commencement of new projects.

Crushing activity saw the completion of the Pardoo project for Atlas Iron and the commencement of crushing operations at Abydos at the beginning of the year. Peculiar Knob and Mt Dove projects continued to contribute to production during the period. Total crushing production increased from 4m tonne to over 11m tonne during the financial year as MACA continued to grow its capability and market recognition in this area.



## MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Mining and crushing contracts by sector commenced, completed and in continuation from July 2013 include:

### Iron Ore

- ▶ Mining services and crushing and screening services for Sinosteel Midwest Corporation at Blue Hills – continuation mining and crushing
- Atlas Iron at Pardoo – completed crushing Feb 2014
- Atlas Iron at Mt Dove – completion of mining and continuation of crushing
- Atlas Iron at Abydos – continuation of mining and commencement of crushing July 2013
- Arrium at Peculiar Knob – continuation

### Gold

- ▶ Mining services for Barrick Australia at Plutonic – completion July 2013
- Regis Resources at Moolart Well – continuation
- Regis Resources at Garden Well – continuation
- Regis Resources at Rosemont – continuation

### Base Metals

- ▶ Mining services for Rosslyn Hill Mining at Rosslyn Hill – continuation

### Other Minerals

- ▶ Mining services for Kimberley Diamonds at Ellendale – continuation

Projects that have commenced in FY2015 are by sector

### Iron Ore

- ▶ Mining services for Karara Mining at Hinge – commencement (July 2014)
- ▶ Crushing and screening services for Karara Mining at Hinge – commencement (September 2014)

### Civil

The civil business maintained its strong relationship with Main Roads Western Australia by continuing to deliver on the Browns Range Alliance and the Safelinks Program Alliance projects during the period. In addition, MACA Civil completed a number of resource projects including rail sidings through Calibre for Rio Tinto, and a number of road-works projects both as a subcontractor and principal contractor. MACA Civil achieved further accreditation in the National pre-qualification system to R4 level.

Civil contracts by sector commenced, completed and in continuation from July 2013 include:

### Mining sector

- Rio Tinto – Maitland and Murray Camp Sidings
  - Bulk earthworks for formation extensions to key passing track sidings on the Deepdale Line for Rio Tinto's railway
- Rio Tinto – Emu Siding
  - Bulk earthworks for the construction of a 2.2km 4.0m wide floor trapezoidal storm runoff drain
- Rio Tinto – Mt Brockman Passing Track
  - Bulk earthworks for the construction of an extension to the rail fuel spur

### Public sector

- Main Roads Department of Western Australia – (Browns Range Alliance)
  - Continuation of flood mitigation works in Carnarvon
- Main Roads Department of Western Australia – (SafeLinks Alliance)
  - Continuation of upgrade of Goldfields Highway and the Wubin to Mullewa Road.

## MANAGING DIRECTOR'S REVIEW OF OPERATIONS

### HEALTH, SAFETY AND ENVIRONMENT

MACA manages risk through the continual improvement, measurement and review of its systems and processes targeted specifically to prevent incidents. Quarterly audits are conducted across all projects with compliance measured against our certified Occupational Health and Safety Management Systems (AS/NZS: 4801) and Environmental Management Systems (ISO: 14001).

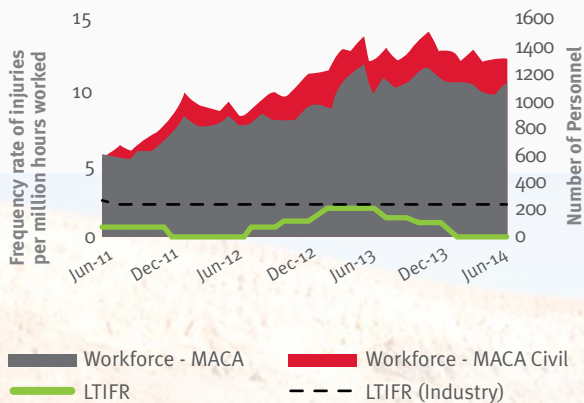
The continued focus on health and safety through our audit and compliance processes has seen our Lost Time Injury Frequency Rate (LTIFR) remain below industry benchmarks, a good outcome considering the business growth and increase in number of new employees and contractors to our business.

MACA remains focused on providing a safe workplace for its employees, contractors and visitors. We acknowledge that the successful leadership of safety is principle to our business success and it is an enduring philosophy of ours that each employee return home every day safe and in the same way they began the day.

Focus on the development of new safety standard initiatives continues as one of our key business drivers. The goal of 'Zero Harm' underpins every task we perform in the workplace.

MACA Civil Pty Ltd has accreditation to the Federal Building and Construction OHS Scheme. This safety accreditation facilitates access to tender opportunities listed as federally funded projects.

#### PEOPLE AND SAFETY PERFORMANCE



Industry source – Department of Mines and Petroleum (Resources Safety)

### 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.



## MANAGING DIRECTOR'S REVIEW OF OPERATIONS

### HUMAN RESOURCES

As at 30 June 2014 the Group had a total workforce of approximately 1380 employees and subcontractors.

The labour market has eased allowing the Group an opportunity to attract new talent whilst building on its retention strategies. Imperative to our business success is the skills and experience of our people and their ability to work in a safe and productive manner.

MACA continues to develop and improve a number of programmes to enhance the performance and satisfaction of our workforce even when the industry in general has retracted. Internal and external leadership programmes, scholarships for mining and civil engineers, and the in-house development of our key people ensures the skills and capability of our workforce is enabled to meet future business challenges. The company now has a recognised certificated up-skilling programme within our crushing department.

MACA's apprenticeship scheme also continued to grow in the 2014 financial year with a further increase in our intake of critical trade apprentices. MACA's key strength resides in the ability to retain the business culture that has delivered successful outcomes and the business recognises the importance of retaining these values as the company continues to grow.

MACA maintains a proactive approach to diversity through the monitoring of employment outcomes particularly for female and indigenous groups. Policies have been established to meet our commitment to embrace diversity and recruitment and retention strategies have been established to fulfil this goal.



## MANAGING DIRECTOR'S REVIEW OF OPERATIONS

### COMMUNITY

MACA, with the support of its employees, suppliers and stakeholders maintains a strong link to the regions and communities in which it operates. The Company actively contributes and supports many regional and local groups across a diverse range of activities as part of our focus to be a solid community participant.

MACA has also maintained its "Powered By" sponsorship of the 'Sunsuper Ride to Conquer Cancer' which directly supports the Harry Perkins Institute of Medical Research (Perkins). The support of 'Perkins' and the ride will continue in the current year with MACA workforce and stakeholders united in its efforts to raise in excess of \$1.3m with 300 participating riders for this year's event.

During the year MACA continued its long term association with the Princess Margaret Hospital Foundation, through the provision of funds for medical equipment. The Company is also involved in various forms of sponsorship, the Hawaiian Ride for Youth and the West Australian Symphony Orchestra.

### OUTLOOK

MACA's strong operational performance and relationships with its clients continues to generate opportunities for growth. Despite a challenging market environment MACA is well positioned both financially and operationally to support its clients, both existing and new, on delivering their growth aspirations. The Company has a strong balance sheet to fund future projects and is well positioned and resourced to take advantage of new opportunities.

MACA has delivered reliable, quality services which has supported our customers in developing and executing their projects. We are confident that this successful formula will continue to grow the business with our existing customers and attract the attention of potential new clients. MACA is focused on continuing to deliver its services to clients whilst maintaining the ongoing commitment to its people, their safety and the culture that has made the business successful to this date.

MACA highly values its hard working and loyal employees. On behalf of the board, I would like to extend my thanks to them and all of our stakeholders who remain an essential component of our success.



**Chris Tuckwell**  
Managing Director, CEO



# 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 2014.

## 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 / CEO (appointed 4 August 2014)  
Mr Geoffrey Alan Baker – Operations Director  
Mr Ross Campbell Williams – Non Executive Director  
Mr Linton John Kirk – Non Executive Director  
Mr Joseph Ronald Sweet – Non Executive Director (resigned 23 July 2014)  
Mr Douglas Jon Grewar – Managing Director / CEO (resigned 2 May 2014)

## 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  
Member of Risk Committee

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 that Institute. 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	From July 2011 to May 2014

### Chris Tuckwell – appointed 4 August 2014

B Eng (Construction)  
Managing Director / Chief Executive Officer

#### Special Responsibilities

Member of Risk Committee

Mr Tuckwell holds a Bachelor of Engineering – Construction and has spent his entire career within the mining industry, working with both mining contractors and mining companies over his 30 year career. During his career Chris has also fulfilled senior off-shore management and executive positions in West and East Africa, South America, Indonesia and the West Indies.

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

None

## DIRECTOR'S REPORT

### Geoff Baker

Operations Director

#### Special Responsibilities

Member – Risk Committee

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 38 years.

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

### Ross Williams

PgD FSM

Non Executive Director

#### Special Responsibilities

Member – Remuneration Committee

Member – Audit Committee

Member – Risk Committee

Mr Williams is a founding shareholder of MACA and until recently held the position of CFO with responsibility for capital management, finance, financial reporting and corporate strategy. Ross also has 17 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:

Company	Period of Directorship
Emerald Oil and Gas NL	Since October 2013

### Linton Kirk

B Eng (Mining) FAusIMM (CP) GAICD

Non Executive Director

#### Special Responsibilities

Chair – Audit Committee

Chair – Risk Committee

Member of Remuneration Committee (appointed Chair since year end)

Mr Kirk has over 30 years' experience in mining and earthmoving, covering both open pit and underground operations in several commodities. He has held technical, operational and general management positions in a variety of mining and mining services companies throughout Australia, Africa and Papua New Guinea, prior to becoming a consultant in 1997. Mr Kirk has since been engaged by numerous Australian and global mining companies to consult on project management, feasibility studies, owner mining reviews, operational audits and the development of strategic plans.

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

Company	Period of Directorship
Middle Island Resources Ltd	Since September 2011

## DIRECTOR'S REPORT

### **Joseph (Joe) Sweet – resigned 23 July 2014**

B Eng (Civil)  
Non Executive Director

#### **Special Responsibilities**

Chair – Remuneration Committee  
Member of Audit Committee  
Member of Risk 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.

### **Doug Grewar – resigned 2 May 2014**

B Bus, MSc (Mineral Economics), FAusIMM, GAICD  
Managing Director / Chief Executive Officer

#### **Special Responsibilities**

None

Mr Grewar has extensive experience in the mining contracting and mining services sectors throughout Australia and the Pacific. He has been accountable for the growth of diverse business portfolios for a number of prominent Australian companies and the successful delivery of a significant number of mining and civil projects to the resources industry. Mr Grewar's mining experience, which spans a broad range of commodities and service dimensions, is complemented by senior roles in the heavy construction materials and civil contracting sectors.

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

<b>Company</b>	<b>Period of Directorship</b>
Drummond Gold Limited	June 2008 to July 2010

## **COMPANY SECRETARY**

### **Peter Gilford – appointed 22 August 2013**

B Com, CA

Mr Gilford has experience in the areas of financial management, accounting, business and taxation services. Peter has provided services to a large number of mining, exploration and construction companies and has provided services to MACA for over 9 years. Peter has acted in roles of Director, Company Secretary and CFO for a number of privately owned businesses whilst in his role as a Director of a mid-tier accounting firm. Peter is a member of the Institute of Chartered Accountants in Australia

### **Jon Carcich – resigned 22 August 2013**

B Com, CA

## **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.

There were no 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.

## **CHANGES IN CONTROLLED ENTITIES**

There have been no changes in the controlled entities comprising the Group.



## EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year MACA Limited has executed a contract with Karara Mining Limited in relation to its Hinge Iron Ore project. The contract is expected to generate revenue of approximately \$90 million over a contract term of 17 months.

Subsequent to the balance date Mr Chris Tuckwell was appointed Managing Director and Chief Executive Officer of MACA Limited. Non-Executive Director, Mr Joe Sweet retired from his position on the board, with Finance Director and CFO Mr Ross Williams moving to a Non- Executive role. Mr Peter Gilford assumed the role of Chief Financial Officer.

The Company raised \$58.5m through the placement of 30m shares to sophisticated and institutional investors.

The Company has determined to pay a further special fully franked dividend of 25.0c per share on 1 Oct 2014.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## 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 2014	7.5 cents	7.5 cents
Interim dividend for 2014	6.5 cents	6.5 cents
Special dividend for 2014	30.0 cents	30.0 cents
Special dividend for 2015	25.0 cents	25.0 cents
Final dividend for 2013	5.5 cents	5.5 cents

The Directors have determined to pay a final fully franked dividend based on the June 2014 full year result of 7.5c per share on 26 September 2014.

The Company paid an interim fully franked dividend for the 2014 half year of 6.5c per share on 24 March 2014.

The Company paid a special fully franked dividend for the 2014 half year of 30.0c per share on 31 March 2014.

The Company paid a final fully franked dividend for the year ended 30 June 2013 of 5.5c per share on 26 September 2013.

The Company has determined to pay a further special fully franked dividend for the 2014 full year of 25.0c per share on 1 October 2014.

## DIVIDEND REINVESTMENT PLAN

There is no dividend reinvestment plan in place.

## 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 strong financial and operational performance. This has been driven by reliable and consistent operational performance and the prudent allocation of capital to generate earnings.

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 Managing Director's Review of Operations in this Annual Report.

	FY2014 \$'m	FY2013 \$'m	Change
Revenue	\$595.4	\$475.9	25.2% ▲
EBITDA	\$138.0	\$116.3	18.6% ▲
EBIT	\$85.5	\$76.9	11.2% ▲
Net Profit before tax	\$79.6	\$71.8	10.9% ▲
Net Profit after tax	\$55.4	\$49.5	12.0% ▲
Contracted Work in Hand	\$1,307	\$1,713	(23.7)% ▼
Operating Cashflow	\$46.8	\$111.8	(58.1)% ▼
Dividend per share (fully franked)	44.0cents	10.0cents	340% ▲
Basic earnings per share	30.3cents	31.5cents	(3.7)% ▼

## 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 improvement in MACA's Lost Time Injury Frequency Rate (LTIFR) is an illustration of its 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 Managing Director's Review of Operations include an overview of likely future developments in the operations of the Group.

## OUTLOOK

MACA's strong operational performance and relationships with its clients continues to generate opportunities for growth. Despite a subdued market environment MACA is well positioned both financially and operationally to support its clients, both existing and new, on delivering their growth aspirations. The Company has a strong balance sheet to fund future projects and is well positioned and resourced to take advantage of new opportunities.

## 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	15,000,000	6.45%	-	15,000,000	6.45%
Ross Williams	2,500,000	1.07%	-	2,500,000	1.07%
Andrew Edwards <sup>1</sup>	20,000	0.01%	-	20,000	0.01%
Linton Kirk	-	-	-	-	-
Chris Tuckwell <sup>2</sup>	500,000	0.21%	-	500,000	0.21%
Total	18,020,000	7.74%	-	18,020,000	7.74%

<sup>1</sup> Shares held by Mrs Amanda Dale Edwards spouse of Mr Andrew Edwards

<sup>2</sup> Shares held in the Tuckwell Family Trust by trustee Mr James Tuckwell an immediate family member of Chris Tuckwell

## 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 2014 were as follows:

	Director's Meeting		Committee Meetings					
	Number eligible to attend	Number attended	Audit Committee		Remuneration Committee		Risk Committee	
			Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Andrew Edwards	8	8	2	2	1	1	2	2
Doug Grewar (resigned 2 May 14)	7	6	1	1	-	-	1	1
Linton Kirk	8	8	2	2	1	1	2	2
Ross Williams	8	8	2	2	-	-	2	2
Geoff Baker	8	8	2	2	-	-	2	2
Joseph Sweet	8	8	2	2	1	1	2	2

### INDEMNIFYING OFFICERS OR AUDITOR

During the financial year the Company paid a premium in respect of a contract insuring 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 26 and forms part of the directors' report for the financial year ended 30 June 2014.

#### 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 (ceased as KMP 23 December 2013)	General Manager – Business Development
Tim Gooch	General Manager – Mining
Mitch Wallace	General Manager – Plant and Crushing
Maurice Dessauvagie	General Manager – Civil
Jeremy Connor (appointed 23 June 2014)	General Manager – Business Development and Strategy
Peter Gilford (appointed 23 August 2013)	CFO and Company Secretary

#### 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 did not engage any organisation to review the levels of senior executive and non executive remuneration.

### 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 \$600,000. This provides for any future increases to Non Executive Directors fees and to allow for any changes to the Board make up and potential increases in the number of Non Executive Directors.

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 KMP comprise of three components. The first two comprise 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 issued as a long term incentive (LTI), which to date has been implemented to the executives as outlined below. The STI and LTI compensation structure is made up of a combination of profit performance targets, delivered safety targets, personal performance and total shareholder return.

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. In the 2013/14 year base salaries were adjusted mainly for CPI increases and changes in roles.

The STI component for the 2013/14 financial year was up to 25% of the base salary package dependent on the individual executive. The 2014/15 STI component is up to 25% of base salary. Further detail on the STI payments made in the 2013/14 year is set out later in this Remuneration Report. The hurdle components in 2014/15 comprise Net Profit after Tax, Earnings per Share, Return on Capital Employed, safety, and personal performance measures.

The Group had a LTI plan 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 3 years of continued service with MACA from 3 November 2010 and a minimum share price for the Company's shares at the time of vesting (November 2013). This was satisfied and has been paid during the year.

During the year performance rights were issued to each of the General Manager - Mining Mr Tim Gooch, General Manager - Plant and Crushing Mr Mitch Wallace and General Manager - Civil Mr Maurice Dessauvage pursuant to an LTI Plan on the following terms:

- The performance rights will have a 3 year vesting period
- Vesting conditions will include continuous employment during this period plus performance hurdles
- The performance hurdles will comprise a 25% growth in earnings per share component and a 75% relative TSR component against a specified group of comparable companies
- The number of performance rights issued was determined as 20% of each employee's current fixed annual remuneration divided by the independently assessed value of a performance right.

The first Performance Criteria accounting for 75% of the total allocation is the Company's Total Shareholder Return (**TSR**) percentile ranking over the Performance Period relative to the TSR achieved by a Comparator Group of companies within the ASX Industrials Index over that same period. Specifically, if the Company's TSR over the Performance Period is:

- (i) below the 50<sup>th</sup> percentile of the TSR achieved by the Comparator Group of companies, then nil Performance Rights will vest;
- (ii) at the 50<sup>th</sup> percentile of the TSR achieved by the Comparator Group of companies, then 50% of the Performance Rights will vest;
- (iii) between the 50<sup>th</sup> and 75<sup>th</sup> percentile of the TSR achieved by the Comparator Group of companies then between 50% and 100% of the Performance Rights will vest pro-rata; and
- (iv) at or above the 75<sup>th</sup> percentile of the TSR achieved by the Comparator Group of companies, 100% of the Performance Rights will vest.

TSR means, broadly, the increase in the share price plus dividends paid, excluding franking credits and taxation, over the Performance Period.

## DIRECTOR'S REPORT

The second Performance Criteria accounting for 25% of the total allocation is the Company's Earnings Per Share (**EPS**) over the vesting period. Specifically, if the compound growth in the Company's EPS over the Performance Period is:

- (i) below 6% per annum – then nil Performance Rights will vest;
- (ii) equal to 6% per annum – then 50% of Performance Rights will vest;
- (iii) between 6% and 12.5% annum – then 50% - 100% of the Performance Rights will vest pro-rata; and
- (iv) equal to 12.5% or higher then 100% of Performance Rights will vest;

The Group will seek approval at the AGM for the issue of performance rights to the Managing Director Mr Chris Tuckwell pursuant to an LTI Plan on the following terms:

- The performance rights will have a 3 year vesting period
- Vesting conditions will include continuous employment during this period plus performance hurdles
- The performance hurdles will comprise a 25% growth in earnings per share component and a 75% relative TSR component against a specified group of comparable companies
- The number of performance rights issued will be determined as 25% of Mr Tuckwell's current fixed annual remuneration divided by the independently assessed value of a performance right.
- Full particulars of the terms and conditions will be set out in the information sent to shareholders for the purposes of the forthcoming annual general meeting.

The Remuneration Committee assesses whether the performance conditions under both the STI and LTI components 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 listing.

	2011	2012	2013	2014
Net profit before tax (\$m)	41.4	54.0	71.8	79.6
Net profit after tax (\$m)	28.7	37.7	49.5	55.4
Share price at year-end	\$2.45	\$2.25	\$1.77	\$1.85
Interim dividend (fully franked)	3.0 cps	3.5 cps	4.5 cps	6.5 cps
Final dividend (fully franked)	3.0 cps	4.5 cps	5.5 cps	7.5 cps
Special Dividend (fully franked)		-	-	55.0 cps
Basic Earnings per share	19.7	25.1	31.5	30.3
Total Shareholder Return <sup>1</sup>	1.2%	(7.8%)	(16.1%)	27.4%

<sup>1</sup>All dividends in the TSR (Total Shareholder Return) calculation are on a paid basis each year. The dividends in the table are as declared (rather than paid) in respect to each financial year.

### 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:

Chris Tuckwell – Managing Director (appointed 4 August 2014)

- 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.

Tim Gooch – General Manager – Mining

- The company and the employee are required to give 3 months notice of termination.

Mitch Wallace – General Manager – Plant and Crushing

- The company and the employee are required to give 1 months notice of termination.

Maurice Dessauvague – General Manager – MACA Civil

- The company and the employee are required to give 3 months notice of termination.

## DIRECTOR'S REPORT

Jeremy Connor – General Manager – Business Development and Strategy (commenced 23 June 2014)

- The company and the employee are required to give 1 months notice of termination.

Peter Gilford – Chief Financial Officer and Company Secretary

- The company and the employee are required to give 3 months notice of termination

Doug Grewar – Managing Director (ceased 2 May 2014)

- The company and the employee were required to give 6 months notice of termination.

Ross Williams – Finance Director (ceased as Executive Director 23 July 2014)

- The company and the employee were required to give 3 months notice of termination.

David Edwards – General Manager – Business Development (ceased as KMP 23 December 2013)

- The company and the employee were 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 sets out the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options and performance rights.

Group KMP	Position held as at 30 June 2014 and any change during the year	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
		Non-salary cash-based incentives	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Total
<b>Group Key Management Personnel</b>						
<b>Executive</b>						
Doug Grewar	Managing Director (resigned 2 May 14)	13.92%	-	-	86.08%	100.0%
Ross Williams	Finance Director (ceased as Executive Director 23 July 14 – continues as Non Executive Director)	-	-	-	100%	100.0%
Geoff Baker	Operations Director	40.75%	-	-	59.25%	100.0%
David Edwards	General Manager – Business Development (ceased as KMP 23 December 13 – continues to act as a consultant)	-	-	5.18%	94.82%	100.0%
Tim Gooch	General Manager – Mining	7.28%	-	10.42%	82.31%	100.0%
Mitchell Wallace	General Manager – Plant and Crushing	7.14%	-	10.42%	82.44%	100.0%
Maurice Dessauvague	General Manager – Civil	11.08%	-	9.12%	79.81%	100.0%
Jeremy Connor	General Manager – Business Development (commenced 23 June 14)	-	-	-	100.0%	100.0%
Peter Gilford	Chief Financial Officer and Company Secretary (commenced 22 August 13)	-	-	-	100.0%	100.0%
<b>Non Executive</b>						
Andrew Edwards	Chairman, Non Executive Director	-	-	-	100.0%	100.0%
Joseph Sweet	Non Executive Director (ceased as Non Executive Director 23 July 14)	-	-	-	100.0%	100.0%
Linton Kirk	Non Executive Director	-	-	-	100.0%	100.0%

The following table sets out the benefits and payments details, in respect to the financial year, and 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.

# DIRECTOR'S REPORT

**Table of benefits and payments for the year ended 30 June 2014.**

	Short-term benefits				Post-employment benefits		Long-term benefits		Equity-settled share-based payments		Cash-settled shared-based payments	Termination benefits	Total
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Pension and superannuation	Other	Incentive plans	LSL	Shares/Units	Options/Rights			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FY2014</b>													
<b>Executive Directors</b>													
Doug Grewar (resigned 2 May 2014)	571,839	175,000	-	30,735	21,154	-	121,188 <sup>a</sup>	-	-	-	-	337,500	1,257,416
Geoff Baker	573,000	144,138	-	-	-	-	250,000	-	-	-	-	-	967,138
Ross Williams (ceased as an Executive Director 23 July 14)	347,000	-	-	-	-	-	-	-	-	-	-	-	347,000
<b>Non Executive Directors</b>													
Andrew Edwards	132,723	-	-	-	12,749	-	-	-	-	-	-	-	145,472
Joseph Sweet	85,000	-	-	-	-	-	-	-	-	-	-	-	85,000
Linton Kirk	77,803	-	-	-	7,197	-	-	-	-	-	-	-	85,000
<b>Other Executives</b>													
David Edwards (ceased as KMP 23 Dec 13 – continues to act as consultant)	400,638	-	-	14,350	-	-	-	-	-	22,682	-	-	437,670
Tim Gooch	488,000	48,800	-	23,899	39,897	-	-	-	-	69,829	-	-	670,425
Mitchell Wallace	390,000	39,000	-	28,163	32,137	-	-	-	-	56,941	-	-	546,241
Maurice Dessauvague	522,061	78,309	-	-	42,085	-	-	-	-	64,438	-	-	706,893
Peter Gilford (commenced 22 August 13)	275,000	-	-	-	23,077	-	-	-	-	-	-	-	298,077
Jeremy Connor (commenced 23 June 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-
a – Value of performance rights forfeited as a result of resignation													
<b>Total for KMP for 2014 year</b>	<b>3,863,064</b>	<b>485,247</b>	<b>-</b>	<b>97,147</b>	<b>178,296</b>	<b>-</b>	<b>371,188</b>	<b>-</b>	<b>-</b>	<b>213,890</b>	<b>-</b>	<b>337,500</b>	<b>5,546,332</b>
<b>FY2013</b>													
<b>Executive Directors</b>													
Doug Grewar (appointed 1 October 12)	413,442	103,125	-	4,432	37,209	-	-	-	-	-	-	-	558,208
Chris Tuckwell (resigned 25 July 12)	168,948	-	-	-	4,757	-	-	-	-	-	-	-	173,705
Geoff Baker	506,188	126,547	-	10,628	-	-	250,000	-	-	-	-	-	893,363
Ross Williams	409,365	98,725	-	21,737	36,842	-	-	-	-	-	-	-	566,669
<b>Non Executive Directors</b>													
Andrew Edwards	124,615	-	-	-	11,215	-	-	-	-	-	-	-	135,830
Joseph Sweet	84,240	-	-	-	-	-	-	-	-	-	-	-	84,240
Linton Kirk (appointed 1 October 12)	52,500	-	-	-	4,725	-	-	-	-	-	-	-	57,225
<b>Other Executives</b>													
David Edwards	477,714	119,428	-	30,000	-	-	-	-	-	63,006	-	-	690,148
Tim Gooch	436,800	23,569	-	25,561	31,310	-	-	-	-	25,203	-	-	542,443
Mitchell Wallace	340,200	21,384	-	-	30,618	-	-	-	-	25,203	-	-	417,405
Maurice Dessauvague (appointed 1 May 13)	19,038	-	-	962	1,713	-	-	-	-	-	-	-	21,713
Andrew Sarich	277,908	13,750	-	16,111	25,012	-	-	-	-	-	-	-	332,781
<b>Total for KMP for 2013 year</b>	<b>3,310,958</b>	<b>506,528</b>	<b>-</b>	<b>109,431</b>	<b>183,401</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>113,412</b>	<b>-</b>	<b>-</b>	<b>4,473,730</b>

## DIRECTOR'S REPORT

### 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 \$
<b>Group Key Management Personnel</b>					(Note 2)				
Geoff Baker	Cash	22.12.2011	750,000	Note 1(a)	100%	-	-	03.11.2013	n/a
David Edwards	Options	02.11.2010	130,392	Note 1(b)	100%	-	-	02.11.2013	n/a
Mitchell Wallace	Options	02.11.2010	52,156	Note 1(b)	100%	-	-	02.11.2013	n/a
Tim Gooch	Options	02.11.2010	52,156	Note 1(b)	100%	-	-	02.11.2013	n/a

Note 1 (a) – 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 was subject to a performance period and a minimum share price of MACA at the time of vesting. The retention bonus was paid in November 2013.

Note 1 (b) – 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 were subject to the completion of 3 years continued employment at which time they vested.

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 446,380 performance rights granted during the financial year.

	Remuneration Type	Grant Date	Total 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 \$
<b>Group Key Management Personnel</b>						Note (2)			
Doug Grewar	Performance Rights	19.11.2013	287,390	Note 1	-	100%	-	-	0-287,390
Maurice Dessauvagie	Performance Rights	19.11.2013	151,447	Note 1	-	-	100%	30.06.2016	0-151,447
Mitchell Wallace	Performance Rights	19.11.2013	112,503	Note 1	-	-	100%	30.06.2016	0-112,503
Tim Gooch	Performance Rights	19.11.2013	142,793	Note 1	-	-	100%	30.06.2016	0-142,793

Note 1 – The Group has put in place a LTI for Key Management Personnel pursuant to which performance rights have been issued to each of Mr Doug Grewar (subject to shareholder approval) and to Mr Tim Gooch, Mr Mitch Wallace and Mr Maurice Dessauvagie. The key components of the LTI structure are set out under (d) above. The value of the performance rights to be issued to each executive will range from 20 - 30% of each executives fixed annual remuneration.

Note 2 – Mr Doug Grewar forfeited his rights when he left the business on 2<sup>nd</sup> May 2014

The performance hurdles within the LTI Plan were selected to align returns to shareholders with the financial performance of the Group.

- Total Shareholder Return – 75% weighting assessed against a comparator group of peers.
- Earnings per Share – 25% weighting to EPS growth against predetermined hurdles set by the remuneration committee and approved by the board.

### h) Short Term Incentive (STI) Payments

Key management personnel below were granted cash STI bonuses for the 2014 financial year as noted above. The remuneration packages of the Ex Managing Director – Mr Doug Grewar, Operations Director – Mr Geoff Baker, General Manager - Civil – Mr Maurice Dessauvagie, General Manager – Plant and Crushing – Mr Mitch Wallace and General Manager - Mining – Mr Tim Gooch included a cash bonus component of 10-25% of the base salary for the 2014 financial year.



## DIRECTOR'S REPORT

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 – 75%, divided equally (37.5% each) between achieving budgeted Net Profit after Tax (NPAT) and normalised Earnings per Share (EPS)
- Health and Safety – 25%, divided equally (12.5% each) between achieving a 10% reduction from the previous year in Lost Time Injury Frequency Rate (LTIFR) / Total Recordable Injury Frequency Rate (TRIFR)

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.

The following performance targets have been selected for the 2015 financial year:

- Financial – 60%, divided equally (20% each) between achieving budgeted NPAT, EPS and Return on Capital Employed (ROCE)
- Health and Safety – 20%, based on targeted outcomes for Lost Time Injuries (LTI) and the Total Recordable Injury Frequency Rate (TRIFR)
- Other – 20%, identified as priorities for improving future performance

### i) 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
<b>30 June 2014</b>								
David Edwards (ceased as KMP 23 Dec 13 – continues to act as consultant)	500,000	-	500,000	-	-	500,000	-	-
Mitch Wallace	200,000	72,421	200,000	-	72,421	200,000	-	-
Geoff Baker	-	-	-	-	-	-	-	-
Ross Williams (ceased as an Executive Director 23 July 14)	-	-	-	-	-	-	-	-
(Hugh) Andrew Edwards	-	-	-	-	-	-	-	-
Joseph Sweet	-	-	-	-	-	-	-	-
Tim Gooch	200,000	91,919	200,000	-	91,919	200,000	-	-
Doug Grewar (resigned 2 May 2014)	-	185,000	-	(185,000)	-	-	-	-
Linton Kirk	-	-	-	-	-	-	-	-
Maurice Dessauvagie	-	97,490	-	-	97,490	-	-	-
Peter Gilford (commenced 22 August 2013)	-	-	-	-	-	-	-	-
Jeremy Connor (commenced 23 June 2014)	-	-	-	-	-	-	-	-
	900,000	446,380	900,000	226,380	261,830	900,000	-	-
<b>30 June 2013</b>								
David Edwards	500,000	-	-	-	500,000	-	-	-
Mitch Wallace	200,000	-	-	-	200,000	-	-	-
Geoff Baker	-	-	-	-	-	-	-	-
Ross Williams	-	-	-	-	-	-	-	-
Christopher Tuckwell (resigned 25 July 2012)	-	-	-	-	-	-	-	-
(Hugh) Andrew Edwards	-	-	-	-	-	-	-	-
Joseph Sweet	-	-	-	-	-	-	-	-
Tim Gooch	200,000	-	-	-	200,000	-	-	-
Doug Grewar (appointed 1/10/2012)	-	-	-	-	-	-	-	-
Linton Kirk (appointed 1/10/2012)	-	-	-	-	-	-	-	-
Maurice Dessauvagie (appointed 1/5/2013)	-	-	-	-	-	-	-	-
Andrew Sarich	-	-	-	-	-	-	-	-
	900,000	-	-	-	900,000	-	-	-

## DIRECTOR'S REPORT

### a) 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
<b>30 June 2014</b>						
David Edwards (ceased as KMP 23 Dec 13 – continues to act as consultant)	15,000,000	-	-	500,000	(15,500,000)	-
Geoff Baker	15,000,000	-	-	-	-	15,000,000
Tim Gooch	-	-	-	200,000	(100,000)	100,000
Ross Williams (ceased as an Executive Director 23 July 14)	2,500,000	-	-	-	-	2,500,000
(Hugh) Andrew Edwards <sup>(i)</sup>	20,000	-	-	-	-	20,000
Joseph Sweet	100,000	-	-	-	-	100,000
Doug Grewar (resigned 2 May 2014)	20,000	-	-	-	(20,000)	-
Linton Kirk	-	-	-	-	-	-
Maurice Dessauvague	-	-	-	-	-	-
Mitch Wallace	-	-	-	200,000	(100,000)	100,000
Jeremy Connor (commenced 23 June 2014)	-	-	37,250	-	-	37,250
Peter Gilford (commenced 22 August 13)	2,500	-	-	-	-	2,500
	32,642,500	-	37,250	900,000	(15,720,000)	17,859,750

	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
<b>30 June 2013</b>						
David Edwards	17,000,000	-	-	-	(2,000,000)	15,000,000
Geoff Baker	18,000,000	-	-	-	(3,000,000)	15,000,000
Tim Gooch	-	-	-	-	-	-
Ross Williams	4,500,000	-	-	-	(2,000,000)	2,500,000
Chris Tuckwell (resigned 25 July 2012)	700,000	-	(700,000)	-	-	-
(Hugh) Andrew Edwards	20,000	-	-	-	-	20,000
Joseph Sweet	100,000	-	-	-	-	100,000
Andrew Sarich	38,000	-	-	-	(38,000)	-
Doug Grewar (appointed 1/10/2012)	-	-	20,000	-	-	20,000
Linton Kirk (appointed 1/10/2012)	-	-	-	-	-	-
Maurice Dessauvague (appointed 1/5/2013)	-	-	-	-	-	-
Mitch Wallace	-	-	-	-	-	-
	40,358,000	-	(680,000)	-	(7,038,000)	32,640,000

(i) Held by spouse

## DIRECTOR'S REPORT

### j) Other transactions with key management persons and/or related parties

The following transactions are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management person and/or related party	Transaction	2014 \$	2013 \$
Partnership comprising entities controlled by Mr G.Baker, Mr R.Williams, Mr J.Moore & Mr F.Maher.	Expense - Rent on Ewing St and Division St Business premises.	702,000	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.	127,350	169,800
Kirk Mining Consultants – a company controlled by current director Mr L. Kirk.	Expense - Mining consulting fees	15,006	-
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.	3,580,825	1,968,258
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	148,500	125,000
<b>Amounts payable at year end arising from the above transactions (Receivables Nil)</b>		<b>2014 \$</b>	<b>2013 \$</b>
Kirk Mining Consultants – a company controlled by current director Mr L. Kirk.		10,296	-
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.		573,867	249,102

There were no other transactions conducted between the Group and KMP or their related parties, other than those disclosed above, that were conducted in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

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

#### On behalf of the Directors



**Chris Tuckwell**  
Managing Director

Dated at PERTH this 25<sup>th</sup> day of September 2014

# AUDITOR'S INDEPENDENCE DECLARATION

**MOORE STEPHENS**  
ACCOUNTANTS & ADVISORS

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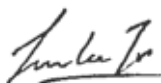
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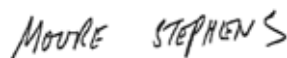
## AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF MACA LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



**Suan-Lee Tan**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 25<sup>th</sup> day of September 2014

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# 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 2014 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.***

A listed entity should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.

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 currently comprises three non-executive directors including the Chairman, and two executive directors.

The board for the 2014 reporting period consisted of equal numbers of independent and non independent directors. The current board now consists of 2 executive directors, and 3 non executive directors of which only 2 of these directors are considered independent. This mix of executive and non-executive directors is considered by the board to be a reasonable balance given the Company's size and current circumstances. Nevertheless, the board will continue to consider its size and composition to ensure it represents the best interest of all security holders.

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 12 to 14 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 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 Linton Kirk are independent directors.

#### **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 has undertaken an evaluation of its effectiveness as a whole and in committee against a broad range of good practice criteria. The results of this evaluation will be used as part of the Board's continual improvement process. These evaluations are intended to be undertaken annually by the Board and 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. Evaluation of the Chairman's performance is included in the Board evaluation process.

### **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 director 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 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 appointments 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.

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 continually reviews its succession plans, promotions and turnover to ensure there is an appropriate focus on diversity. The Company has identified specific factors in the recruitment and selection processes to encourage the diversity of its workforce. 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. These programs include 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 measurable objectives for achieving gender diversity, set by the board in accordance with the diversity policy and progress towards achieving them.***

The Company has developed 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 initial measurable objectives are indicated below and will be expanded over time:

Item	Measurable Objective	Progress
1	Report on gender diversity and salary equality	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 Groups female participation rate has decreased from 14.4% to 12.4% over the past 12 months. This has occurred through natural attrition, projects closing and projects commencing during the year. The Group continues 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.
3	Promote an equal opportunity culture	The Group promotes a culture of equal employment which is supported by the board and executive management team. Remuneration levels are determined based on position and competency, not gender. Review processes are supported by diversity surveys.

The Company is also aiming to achieve salary equality across gender at all levels of the organisation.

### **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 2014 is:

	%	Number
In whole organisation	12.4	142
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 Group's 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 Committee Charters, which are 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 Linton Kirk, Chair, independent non-executive director
- Mr Andrew Edwards, independent non-executive director
- Mr Ross Williams, non-executive director

### **Recommendation 4.3:**

***The audit committee should have a formal charter.***

The Audit Committee has a formal 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**

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 Disclosure 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, utilising the Risk Committee, 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 and Operations Directors 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 2014 financial year, the Managing Director acting as the Chief Executive Officer and the 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 Linton Kirk (Chairman), independent non-executive director;
- Mr Andrew Edwards, independent non-executive director;
- Mr Ross Williams, non-executive 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 16 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 17 to 25.

**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 PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Revenue</b>	2	595,387	475,853
Other income	2	18,645	12,342
Direct costs		(512,151)	(395,199)
Finance costs		(5,884)	(5,121)
Share based payment expense		(285)	(526)
Other expenses from ordinary activities		(16,122)	(15,535)
<b>Profit before income tax</b>	3	79,590	71,814
Income tax expense	4	(24,142)	(21,382)
<b>Profit for the year</b>		55,448	50,432
<b>Other comprehensive income:</b>			
Fair value gains/(loss) on available for sale financial assets, net of tax		1,400	(691)
<b>Other comprehensive income for the year, net of tax</b>		1,400	(691)
<b>Total comprehensive income for the year</b>		56,848	49,741
Profit attributable to:			
Non-controlling interest		-	887
Members of the parent entity		55,448	49,545
		55,488	50,432
Total comprehensive income attributable to:			
Non-controlling interest		-	887
Members of the parent entity		56,848	48,854
		56,848	49,741
Earnings per share:			
Basic earnings per share (cents)	8	30.33	31.50
Diluted earnings per share (cents)	8	30.02	30.73

The accompanying notes form part of these financial accounts

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	104,540	122,969
Trade and other receivables	10	138,296	60,435
Inventory		3,075	3,704
Work in Progress		1,217	(99)
Financial assets	12	4,500	2,500
Other assets	11	2,989	1,318
<b>TOTAL CURRENT ASSETS</b>		<b>254,617</b>	<b>190,827</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	14	172,258	177,481
Deferred tax assets	15	5,335	4,340
<b>TOTAL NON CURRENT ASSETS</b>		<b>177,593</b>	<b>181,821</b>
<b>TOTAL ASSETS</b>		<b>432,210</b>	<b>372,648</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	78,947	61,386
Financial Liabilities	17	39,846	33,567
Current tax liabilities	15	7,476	7,608
Short-term provisions	18	8,449	7,289
<b>TOTAL CURRENT LIABILITIES</b>		<b>134,718</b>	<b>109,850</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	15	748	127
Financial Liabilities	17	58,024	60,615
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>58,772</b>	<b>60,742</b>
<b>TOTAL LIABILITIES</b>		<b>193,490</b>	<b>170,592</b>
<b>NET ASSETS</b>		<b>238,720</b>	<b>202,056</b>
<b>EQUITY</b>			
Issued capital	19	152,290	89,298
Reserves		(2,223)	(2,207)
Retained Profits		88,653	114,965
Parent Interest		238,720	202,056
Non-controlling Interest		-	-
<b>TOTAL EQUITY</b>		<b>238,720</b>	<b>202,056</b>

The accompanying notes form part of these financial accounts

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

	Issued Capital \$'000	Retained Earnings \$'000	Financial Assets Reserve \$'000	General Reserve \$'000	Option Reserve \$'000	Non Controlling Interests \$'000	Total \$'000
BALANCE AT 1 JULY 2012	35,695	79,933	751	-	484	388	117,251
Profit/(loss) for the year	-	49,545	-	-	-	887	50,432
<b>Other comprehensive income:</b>							
Revaluation of Investment	-	-	(691)	-	-	-	(691)
Total comprehensive income	-	49,545	(691)	-	-	887	49,741
Shares issued	56,250	-	-	-	-	-	56,250
Capital raising costs	(2,647)	-	-	-	-	-	(2,647)
Options issued	-	-	-	-	526	-	526
Transactions with non-controlling interests	-	-	-	(3,277)	-	-	(3,277)
Acquisition of non-controlling interest	-	-	-	-	-	(1,275)	(1,275)
Dividends paid	-	(14,513)	-	-	-	-	(14,513)
<b>BALANCE AT 30 JUNE 2013</b>	<b>89,298</b>	<b>114,965</b>	<b>60</b>	<b>(3,277)</b>	<b>1,010</b>	<b>-</b>	<b>202,056</b>
BALANCE AT 1 JULY 2013	89,298	114,965	60	(3,277)	1,010	-	202,056
Profit/(loss) for the year	-	55,448	-	-	-	-	55,448
SUB-TOTAL	89,298	170,413	60	(3,277)	1,010	-	257,504
<b>Other comprehensive income:</b>							
Revaluation of Investment	-	-	1,400	-	-	-	1,400
SUB-TOTAL	89,298	170,413	1,460	(3,277)	1,010	-	258,904
Shares issued	64,730	-	-	-	-	-	64,730
Capital raising costs	(1,738)	-	-	-	-	-	(1,738)
Options issued net of options exercised	-	-	-	-	(915)	-	(915)
Transactions with non-controlling interests	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	(500)	-	-	(500)
Dividends paid	-	(81,761)	-	-	-	-	(81,761)
<b>BALANCE AT 30 JUNE 2014</b>	<b>152,290</b>	<b>88,652</b>	<b>1,460</b>	<b>(3,777)</b>	<b>95</b>	<b>-</b>	<b>238,720</b>

The accompanying notes form part of these financial accounts

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		525,918	487,514
Payments to suppliers and employees		(451,687)	(348,229)
Dividends received		369	338
Interest received		3,375	1,468
Interest paid		(5,884)	(5,121)
Income tax (paid)/refund		(25,248)	(24,216)
<b>Net cash provided by operating activities</b>	23(b)	46,843	111,754
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net cash acquired from purchase of subsidiary		-	-
Purchase of investments		(2,000)	(3,000)
Proceeds from sale of property, plant and equipment		1,160	1,267
Purchase of property, plant and equipment		(16,777)	(36,331)
Repayments of/ (Loans) to Related Parties		-	-
<b>Net cash used in investing activities</b>		(17,617)	(38,064)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue		61,792	53,603
Repayment of borrowings		(27,686)	(29,689)
Dividends paid		(81,761)	(14,513)
<b>Net cash provided by (used in) financing activities</b>		(47,655)	9,401
Net increase/(decrease) in cash held		(18,429)	83,091
Cash and cash equivalents at beginning of financial year		122,969	39,878
Cash and cash equivalents at end of financial year	23(a)	104,540	122,969

The accompanying notes form part of these financial accounts



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

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 29<sup>th</sup> September 2014 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 have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out 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. These financial statements are presented in Australian dollars.

### a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent MACA Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 13.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Fair value uplifts in the value of pre-existing equity holdings are taken to the Statement of Profit or Loss and Other 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 Profit or Loss and Other 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 Profit or Loss and Other 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.

There were no investments in associates as at 30 June 2014.

#### **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 as 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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. Construction Contracts and Work in Progress

Construction work in progress is measured at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date compared to the expected actual costs. Where losses are anticipated they are allowed for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

#### f. 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 Profit or Loss and Other Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Profit or Loss and Other 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 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(i) 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 Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

#### 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% - 66.67%
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 Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### g. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### h. 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.

*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.)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### **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 an indication that 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 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.

#### **i. 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### j. 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.

#### k. 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. The fair value of shares is ascertained as the market bid price. The fair value of options and performance rights are ascertained using a Black-Scholes pricing model and a Monte Carlo simulation respectively 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 date 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. The impact of the revision of original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with corresponding adjustment to the equity settled Option Reserve.

#### l. 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.

#### m. 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.

#### n. 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)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **o. 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.

#### **p. 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.

#### **q. 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 cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **r. Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interests results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and the consideration paid or received is recognised in a separate reserve within equity attributable to owners of MACA Limited.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **s. 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.

#### **t. 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.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 Group's best estimates. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the Group's understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that 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 is 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 Group's understanding thereof. At the current stage of the Group's development and its current environmental impact such treatment is considered reasonable and appropriate.

#### u. 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.

#### v. New and Amended Accounting Policies Adopted by the Group

Consolidated financial statements

The group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013:

- AASB 10: Consolidated Financial Statements;
- AASB 12: Disclosure of Interests in Other Entities; and
- AASB 127: Separate Financial Statements.

AASB 10 provides a revised definition of "control" and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

The first-time application of AASB 10, 12 and 127 did not result in any changes to the group's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Employee benefits

The group adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Group has applied these Standards retrospectively in accordance with AASB 108: Accounting Policies Changes in Accounting Estimates and Errors and the transitional provisions of AASB 119.

The adoption of these Standards does not affect the group's financial statements as the group does not operate any defined benefit employee plans.

AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.

This standard removes the individual key management personnel disclosure requirements in AASB 124 'Related Party Disclosures'. As a result, the Group only discloses the key management personnel compensation in total and for each of the categories required in AASB 124.

In the current year, the individual key management personnel disclosure previously required by AASB 124 (note 6 in the 30 June 2013 financial statements) is now disclosed in the remuneration report due to an amendment to Corporations Regulations 2001.

#### w. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 2. REVENUE AND OTHER INCOME</b>			
Revenue from Continuing Operations:			
<i>Sales revenue</i>			
- Sales		589,585	461,921
		589,585	461,921
<i>Other revenue</i>			
- Interest received		3,375	1,468
- Dividends received		369	338
- Other revenue		2,058	12,126
		5,802	13,932
Total Revenue		595,387	475,853
<b>Other Income</b>			
- Gain / (Loss) on sale of plant and equipment		(1,738)	(166)
- Rebates		20,383	12,508
Total Other Income		18,645	12,342

	Note	2014 \$'000	2013 \$'000
<b>NOTE 3. PROFIT FOR THE YEAR</b>			
<b>Expenses:</b>			
Depreciation and amortisation			
- Plant and equipment		50,810	37,498
- Motor vehicles		1,722	1,885
- Other		5	20
Total depreciation and amortisation expense		52,537	39,403
Employee benefits expense			
- Direct labour		126,507	95,376
- Payroll tax		6,892	2,410
- Superannuation		7,717	6,654
- Employee entitlements accrual		12,502	10,143
- Share based payment		285	526
- Other		317	306
Total employee benefits expense		154,220	115,415
Repairs, service and maintenance		50,538	23,247
Materials and supplies		118,191	47,771

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 4. INCOME TAX EXPENSE</b>			
(a) The components of tax expense comprise:			
Current		24,040	22,599
Deferred	15(c)	102	(1,217)
		24,142	21,382
(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% (2013: 30%)		23,877	21,544
Add tax effect of:			
- dividend imputation		10,559	1,909
- other non allowable items		130	206
- other taxable items		24,528	4,353
- prior year adjustments		246	(266)
Less tax effect of:			
- franking credits on dividends received		(35,198)	(6,364)
- other deductible items		-	-
Income tax attributable to the entity		24,142	21,382
The applicable weighted average effective tax rate as		30.3%	29.8%

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 5. BUSINESS COMBINATIONS

#### 2014

There were no business combinations for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>NOTE 6. INTERESTS OF KEY MANAGEMENT COMPENSATION(KMP)</b>		
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 2014.		
The totals of remuneration paid to KMP of the company and Group during the year are as follows:		
Short-term employee benefits	4,445	3,928
Post-employment benefits	178	183
Other long-term benefits	709	250
Share based payments	214	113
	5,546	4,474

#### 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 30: Related Party Transactions.

	Note	2014 \$'000	2013 \$'000
<b>NOTE 7. DIVIDENDS</b>			
Distributions paid:			
Interim fully franked ordinary dividend of \$0.065 (2013: \$0.045) per share fully franked at the tax rate of 30% (2013: 30%)		11,471	7,763
Special interim dividend of \$0.30 per share fully franked at the tax rate of 30% (2013:nil)		60,803	-
2013 final dividend (fully franked) of \$0.055 per share paid in 2014 (2013: \$0.045)		9,488	6,750
		81,762	14,513
Total dividends per share for the period \$		0.42	0.10
Proposed final fully franked ordinary dividend of \$0.075 (2013: \$0.055) per share franked at the tax rate of 30% (2013: 30%)		15,201	9,488
Proposed special final dividend of \$0.25 per share fully franked at the tax rate of 30% (2013:nil)		58,169	-
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 2014 being the latest tax year end to balance date.		35,120	41,569
Subsequent to year end the franking account would be reduced by the proposed dividend		(31,444)	(4,066)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 8. EARNINGS PER SHARE</b>			
a. Reconciliation of earnings to profit and loss			
Profit		55,448	50,432
Profit attributable to non controlling interest		-	(887)
Earnings used to calculate basic EPS		55,448	49,545
Earnings used in the calculation of dilutive EPS		55,448	49,545
		No.	No.
b. Weighted average number of ordinary shares outstanding during the year in calculating basic EPS		182,809,583	157,273,973
Weighted average number of dilutive options outstanding		1,866,908	3,971,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS		184,676,491	161,244,973
<b>NOTE 9. CASH AND CASH EQUIVALENTS</b>			
Cash at bank	23	104,540	122,969
<b>NOTE 10. TRADE AND OTHER RECEIVABLES</b>			
CURRENT			
Trade debtors		138,296	60,435

### 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 10. 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 within 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.

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
<b>30 June 2014</b>				
Trade and term receivables	138,296	-	70,089	68,207
Other receivables	-	-	-	-
Total	138,296	-	70,089	68,207
<b>30 June 2013</b>				
Trade and term receivables	60,435	-	9,601	50,834
Other receivables	-	-	-	-
Total	60,435	-	9,601	50,834

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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 10. TRADE AND OTHER RECEIVABLES (CONTINUED)</b>			
<b>b. Financial assets classified as loans and receivables</b>			
Trade and other receivables			
- Total current		138,296	60,435
- Total non-current		-	-
		138,296	60,435

		2014 \$'000	2013 \$'000
<b>NOTE 11. OTHER ASSETS</b>			
CURRENT			
Prepayments		2,068	55
Deposit		921	1,263
		2,989	1,318

### NOTE 12. FINANCIAL ASSETS

		2014 \$'000	2013 \$'000
CURRENT			
Available for Sale Financial Assets:			
Shares in listed corporations, at fair value		4,500	2,500
		4,500	2,500

	Country of Incorporation	Percentage Owned (%)*	
		2014	2013
<b>NOTE 13. CONTROLLED ENTITIES</b>			
<b>Parent entity:</b>			
MACA Limited	Australia	-	-
<b>Subsidiaries:</b>			
MACA Mining Pty Ltd (formerly 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	100%	100%
Riverlea Corporation Pty Ltd	Australia	100%	100%
MACA Civil Plant Pty Ltd <sup>(1)</sup>	Australia	100%	100%

\*Percentage of voting power in proportion to ownership

(1) MACA Civil Plant Pty Ltd did not trade and was deregistered on 18<sup>th</sup> December 2013

#### Acquisition of Controlled Entities

On 30 June 2013 MACA Ltd acquired the remaining 40% of MACA Civil Pty Ltd, Riverlea Corporation Pty Ltd and MACA Civil Plant Pty Ltd which it did not already own. Consideration paid was \$3,000,000 cash with an additional amount of \$2,000,000 payable subject to the civil business achieving specific performance targets for the year ending 30 June 2014. The additional \$2,000,000 has been paid to the vendors during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>NOTE 14. PROPERTY, PLANT &amp; EQUIPMENT</b>		
PLANT AND EQUIPMENT		
Plant and equipment – at cost	328,556	286,572
Accumulated depreciation	(160,669)	(115,042)
	167,887	171,530
Motor vehicles – at cost	9,189	11,284
Accumulated depreciation	(6,422)	(6,066)
	2,767	5,218
Leased plant and equipment – at cost	1,080	1,080
Accumulated depreciation	(1,080)	(1,080)
	-	-
Low value pool – at cost	175	129
Accumulated depreciation	(99)	(67)
	76	62
Leasehold improvements – at cost	1,597	781
Accumulated depreciation	(69)	(110)
	1,528	671
Total plant and equipment	172,258	177,481
Total property, plant and equipment	172,258	177,481

### 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 2012		109,142	4,174		12	504	113,832
Additions	-	100,699	3,320	-	70	229	104,320
Disposals	-	(1,013)	(254)	-	-	-	(1,267)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Depreciation expense	-	(37,298)	(2,022)	-	(20)	(63)	(39,403)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-	-
Balance at 30 June 2013		171,530	5,218		62	671	177,481
Opening balance at 1 July 2013		171,530	5,218		62	671	177,481
Additions	-	49,479	77	-	31	1,437	51,024
Disposals	-	(2,378)	(806)	-	(2)	(529)	(3,715)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Depreciation expense	-	(50,744)	(1,722)	-	(15)	(51)	(52,532)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-	-
Balance at 30 June 2014	-	167,887	2,767	-	76	1,528	172,258



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 15. TAX</b>			
<b>(a) Liabilities</b>			
CURRENT			
Income tax		7,476	7,608
NON-CURRENT			
Deferred tax liability comprises:			
Prepayments		-	-
Other		748	127
Total		748	127
<b>(b) Assets</b>			
NON-CURRENT			
Deferred tax assets comprises:			
Provisions		4,230	3,235
Other		1,105	1,105
Total		5,335	4,340
<b>(c) Reconciliations</b>			
<b>i. Gross movements</b>			
The overall movement in the deferred tax account is as follows:			
Opening balance		4,213	1,916
(Charge)/credit to income statement		974	1,217
(Charge)/credit to equity		(600)	1,080
Closing balance		4,587	4,213
<b>ii. Deferred tax liabilities</b>			
The movement in deferred tax liabilities for each temporary difference during the year is as follows:			
Other:			
Opening balance		127	431
Charge / (Credit) to income statement		21	(46)
Charge / (Credit) to equity		600	(258)
Closing balance		748	127
<b>iii. Deferred tax assets</b>			
The movement in deferred tax assets for each temporary difference during the year is as follows:			
Provisions:			
Opening balance		3,235	1,972
Credit to income statement		995	1,263
Closing balance		4,230	3,235
Other:			
Opening balance		1,105	375
Charge / (Credit) to equity		-	730
Closing balance		1,105	1,105

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 16. TRADE AND OTHER PAYABLES</b>			
CURRENT			
Unsecured Liabilities:			
Trade creditors		68,659	43,611
Sundry creditors and accruals		10,288	17,775
		78,947	61,386
Creditors are non-interest bearing and settled at various terms up to 45 days.			
<b>Financial liabilities at amortised cost classified as trade and other payables</b>			
Trade and other payables			
- Total current		78,947	61,386
- Total non-current		-	-
		78,947	61,386
<b>NOTE 17. FINANCIAL LIABILITIES</b>			
CURRENT			
Secured Liabilities:			
Finance lease liability		39,846	33,567
		39,846	33,567
NON-CURRENT			
Secured Liabilities			
Finance lease liability		58,024	60,615
		58,024	60,615
a. Total current and non-current secured liabilities:			
Finance lease liability	20	97,870	94,182
		97,870	94,182
b. The carrying amounts of non-current assets pledged as security are:			
Finance lease liability		113,066	103,260
		113,066	103,260
<b>NOTE 18. PROVISIONS</b>			
CURRENT			
Employee Entitlements		8,449	7,289
a. Movement in provisions:			
<b>Consolidated:</b>			
Opening balance as at 1 July		7,289	5,327
Additional provisions		12,502	10,143
Amounts used		(11,342)	(8,181)
Closing balance as at 30 June		8,449	7,289
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.			

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 19. ISSUED CAPITAL</b>			
202,676,373 (2013:172,500,000) fully paid ordinary shares with no par value			
		152,290	89,298
At beginning of reporting period		89,298	35,695
- 4 March 2013 – Capital Raising		-	53,603
- 15 November 2013 – Options Exercised		1,351	-
- 25 November 2013 – Options Exercised		1,581	-
- 31 December 2013 – Options Exercised		1,620	-
- 5 January 2014 – Options Exercised		20	-
- 11 March 2014 – Capital Raising		58,420	-
At end of reporting period		152,290	89,298
<b>a. Ordinary shares:</b>			
		No.	No.
At the beginning of the reporting period		172,500,000	150,000,000
Shares issued during the year			
- 4 March 2013 – Capital Raising		-	22,500,000
- 15 November 2013 – Options Exercised		1,175,000	-
- 25 November 2013 – Options Exercised		1,375,243	-
- 31 December 2013 – Options Exercised		1,408,734	-
- 5 January 2014 – Options Exercised		17,396	-
- 11 March 2014 – Capital Raising		26,200,000	-
At reporting date		202,676,373	172,500,000
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.			
Total borrowings	17	97,870	94,182
Less cash and cash equivalents	9	(104,540)	(122,969)
Net debt		(6,670)	(28,787)
Total equity		238,720	202,056
Total capital		232,050	173,269
Gearing ratio		(3%)	(17%)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 20. CAPITAL &amp; LEASING COMMITMENTS</b>			
<b>(a) Capital expenditure commitments</b>			
Capital expenditure commitments contracted for:			
Plant and equipment purchases		4,802	19,653
Payable			
- not later than 12 months		4,802	19,653
- between 12 months and 5 years		-	-
- greater than 5 years		-	-
Minimum Commitments		4,802	19,653
<b>(b) Finance lease commitments</b>			
Payable — minimum lease payments			
- not later than 12 months		43,050	38,110
- between 12 months and 5 years		62,163	65,078
- greater than 5 years		-	-
Minimum lease payments		105,213	103,188
Less: Future Finance Charges		(7,344)	(9,006)
	17	97,869	94,182
<b>(c) Operating lease commitments</b>			
Non-cancellable operating leases contracted for but not capitalised in the accounts:			
Payable — minimum lease payments			
- not later than 12 months		1,400	1,025
- between 12 months and 5 years		5,600	1,300
- greater than 5 years		2,800	-
		9,800	2,325

## NOTE 21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent assets or liabilities.

## NOTE 22. 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 businesses and one geographical segment being the provision of civil and contract mining services to the mining industry throughout Australia.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 22. OPERATING SEGMENTS (CONTINUED)

#### 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.

#### 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. 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:

- Dividends, interest, head office and other administration expenditure

	Contract Civil Services \$'000	Contract Mining Services \$'000	Total Operations \$'000
<b>(a) Segment performance</b>			
30 June 2014			
<b>Revenue</b>			
External sales	74,204	517,439	591,643
<b>Total segment revenue</b>	<b>74,204</b>	<b>517,439</b>	<b>591,643</b>
Reconciliation of segment revenue to group revenue			
Unallocated items:			
- Dividend and Interest Income			3,744
<b>Total revenue</b>			<b>595,387</b>
Reconciliation of segment revenue to group income			
Other income	767	17,878	18,645
<b>Total group income</b>	<b>74,971</b>	<b>535,317</b>	<b>614,032</b>
<b>Segment net profit before tax</b>	<b>5,543</b>	<b>70,588</b>	<b>76,131</b>
Reconciliation of segment result to net profit before tax:			
Unallocated items:			
Dividend and Interest income			3,744
Head office administration expenditure			(285)
<b>Net profit before tax from continuing operations</b>			<b>79,590</b>
30 June 2013			
<b>Revenue</b>			
External sales	77,557	396,490	474,047
<b>Total segment revenue</b>	<b>77,557</b>	<b>396,490</b>	<b>474,047</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 22. OPERATING SEGMENTS (CONTINUED)

	Contract Civil Services \$'000	Contract Mining Services \$'000	Total Operations \$'000
Reconciliation of segment revenue to group revenue			
Unallocated items:			
- Dividend and Interest Income			1,806
<b>Total revenue</b>			<b>475,853</b>
Reconciliation of segment revenue to group income			
Other income	366	11,976	12,342
<b>Total group revenue</b>	<b>77,923</b>	<b>410,272</b>	<b>488,195</b>
<b>Segment net profit before tax</b>	<b>2,696</b>	<b>67,838</b>	<b>70,534</b>
Reconciliation of segment result to net profit before tax:			
Unallocated items:			
- Dividend and Interest income			1,806
- Head office administration expenditure			(526)
<b>Net profit before tax from continuing operations</b>			<b>71,814</b>
<b>(b) Segment assets</b>			
30 June 2014			
<b>Segment assets</b>			
<b>Opening balance 1 July 2013</b>	15,113	227,726	242,839
Additions	6,801	69,355	76,156
Disposals	(781)	(379)	(1,160)
Other movements in segment assets	-	-	-
<b>Closing balance 30 June 2014</b>	<b>21,133</b>	<b>296,702</b>	<b>317,835</b>
Reconciliation of segment assets to group assets			
Unallocated assets:			
- Cash			104,540
- financial assets			4,500
- deferred tax assets			5,335
<b>Total group assets</b>			<b>432,210</b>
30 June 2013			
<b>Segment assets</b>			
<b>Opening balance 1 July 2012</b>	7,310	173,142	180,452
Additions	7,958	55,696	63,654
Disposals	(155)	(1,112)	(1,267)
Other movements in segment assets	-	-	-
<b>Closing balance 30 June 2013</b>	<b>15,113</b>	<b>227,726</b>	<b>242,839</b>
Reconciliation of segment assets to group assets			
Unallocated assets:			
- cash			122,969
- financial assets			2,500
- deferred tax assets			4,340
<b>Total group assets</b>			<b>372,648</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 22. OPERATING SEGMENTS (CONTINUED)

	Contract Civil Services \$'000	Contract Mining Services \$'000	Total Operations \$'000
<b>(c) Segment liabilities</b>			
30 June 2014			
<b>Segment liabilities</b>			
<b>Opening balance 1 July 2013</b>	11,565	151,292	162,857
Additions	4,647	17,761	22,408
Disposals	-	-	-
<b>Closing balance 30 June 2014</b>	16,212	169,053	185,265
<i>Reconciliation of segment liabilities to group liabilities</i>			
Unallocated assets:			
- current tax liabilities			7,477
- deferred tax liabilities			748
<b>Total group liabilities</b>			<b>193,490</b>
30 June 2013			
<b>Segment liabilities</b>			
<b>Opening balance 1 July 2012</b>	6,418	93,623	100,041
Additions	5,147	57,669	62,816
Disposals	-	-	-
<b>Closing balance 30 June 2013</b>	11,545	151,292	162,857
<i>Reconciliation of segment liabilities to group liabilities</i>			
Unallocated assets:			
- current tax liabilities			7,608
- deferred tax liabilities			127
<b>Total group liabilities</b>			<b>170,591</b>
<b>(d) All revenue is sourced from Australia.</b>			
<b>(e) Major customers</b>			
The Group has a number of customers to whom it provides both products and services. The Group supplies 3 single external customers in the mining segment which account for 32%, 21% and 20% of external revenue. (2013: 31.2%, 26.1%, 19.8%). The next most significant client accounts for 10% (2013: 7%) of external revenue.			

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>NOTE 23. CASH FLOW INFORMATION</b>			
<b>(a) Reconciliation of Cash</b>			
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		104,540	122,969
Bank overdraft		-	-
		104,540	122,969
<b>(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax</b>			
Operating profit after income tax		55,448	50,432
Non-cash flows in profit from ordinary activities			
Depreciation and amortisation		52,537	39,404
Net (gain)/loss on disposal of plant and equipment		1,738	166
Discount on acquisition of Subsidiaries		-	-
Share based payment		285	526
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		(77,861)	359
(Increase)/decrease in other assets		(2,333)	863
(Increase)/decrease in inventories & WIP		(687)	42
Increase/(decrease) in trade and other payables		17,060	20,834
Increase/(decrease) in income tax payable		(131)	(834)
Increase/(decrease) in deferred tax payable		(374)	(2,000)
Increase/(decrease) in provisions		1,160	1,962
		46,842	111,754
<b>(c) Non-cash financing and Investing Activities</b>			
During the year the economic entity acquired plant and equipment with an aggregate value of \$30,421,468 (2013: \$66,888,229) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.			
<b>Acquisition of Entities</b>			
During the year the economic entity did not acquire any entities by non-cash means (2013 \$Nil)			



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 24. SHARE-BASED PAYMENTS

**(a) There were no options issued for the year ended 30 June 2014. The weighted average fair value of options granted during the previous year was \$Nil.**

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

	Number	Weighted average exercise price
<b>Options outstanding as at 30 June 2012</b>	4,008,030	1.15
Granted	-	-
Forfeited	(31,657)	1.15
Exercised	-	-
Expired	-	-
<b>Options outstanding as at 30 June 2013</b>	3,976,373	1.15
Granted	-	-
Forfeited	-	-
Exercised	3,976,373	1.15
Expired	-	-
<b>Options outstanding as at 30 June 2014</b>	-	-
Options exercisable as at 30 June 2014:	-	-
Options exercisable as at 30 June 2013:	-	-

As at the date of exercise, the weighted average share price of options exercised during the year was \$1.15.

All options were exercised prior to the expiration date on 1 January 2014. There were no outstanding options at the end of the reporting period. The weighted average remaining contractual life of the options outstanding at year end was nil.

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.

The total share based payment expense in the statement of profit or loss for the year ended 30 June 2014 relating to the grant of share options in November 2010 (which fully vested during the year) is \$189,535 (2013: \$526,000).

#### **(b) Performance Rights**

There were 446,830 performance rights issued for the year ended 30 June 2014. 185,000 performance rights were terminated upon Mr Grewars resignation leaving a balance of 261,830 at 30 June 2014. (2013: Nil)

An independent valuation was completed on performance rights granted during the year. Market based vesting conditions were valued using a hybrid share option pricing model that simulates the share price of the Company as at the test date using a Monte-Carlo simulation model. For non-market based vesting conditions no discount was made to the underlying valuation model. The weighted average fair value of the performance rights granted during the year ended 30 June 2014 was \$1.55 per right. The total share based payment expense for the year ended 30 June 2014 relating to the grant of performance rights in the statement of profit or loss is \$95,403 (2013: Nil)

Description	Grant date	Expiry date	Number of performance rights	Weighted average value (\$)	Exercise Price (\$)
2014					
Doug Grewar (resigned 2 May 2014)	19 November 2013	Note 1	185,000	\$1.55	\$Nil
Maurice Dessauvagie	19 November 2013	30 June 2016	97,490	\$1.55	\$Nil
Mitchell Wallace	19 November 2013	30 June 2016	72,421	\$1.55	\$Nil
Tim Gooch	19 November 2013	30 June 2016	91,919	\$1.55	\$Nil
2013: Nil					

Note 1 – Mr Doug Grewar forfeited his rights when he resigned on 2 May 2014.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 24. SHARE-BASED PAYMENTS (CONTINUED)

The Rights issued to all parties vest into ordinary shares in the Company on 30 June 2016, upon satisfying the following performance conditions:

- Continuous employment with the Group
- Performance rights vesting over a 3 year period commencing from 1 July 2013
- Performance Hurdle 1: Earnings per Share – 25% weighting to EPS growth against predetermined hurdles set by the remuneration committee and approved by the board.
- Performance Hurdle 2: Total Shareholder Return – 75% weighting assessed against a comparator group of peers.

The weighted average inputs used to determine the fair value of performance rights granted during the year ended 30 June 2014 were:

- (a) Share price \$2.53 being the 30 day VWAP of the Company on the last trading day prior to 19 Nov 2013
- (b) Exercise price: Nil
- (c) Volatility: 41.2%
- (d) Option life: 3 years
- (e) Dividend yield: 4.3%
- (f) Risk free interest rate: 3.02%

Details of performance rights outstanding at 30 June 2014 are presented in the following table:

	Consolidated Group	
	2014 No.	2013 No.
No. of performance rights at beginning of financial year	-	-
Add: Performance rights granted during the year	446,830	-
Less: Rights terminated/forfeited during the year	(185,000)	-
Less: Rights vested during the year	-	-
No. of performance rights at end of financial year	261,830	-

### NOTE 25. AUDITORS REMUNERATION

	Note	2014 \$'000	2013 \$'000
Remuneration of the parent entity auditors for:			
Auditing or reviewing the financial report		145	140

### NOTE 26. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year MACA Limited has executed a contract with Karara Mining Limited in relation to its Hinge Iron Ore project. The contract is expected to generate revenue of approximately \$90 million over a contract term of 17 months.

Subsequent to the balance date Mr Chris Tuckwell was appointed Managing Director and Chief Executive Officer of MACA Limited. Non-Executive Director, Mr Joe Sweet retired from his position on the board, with Finance Director and CFO Mr Ross Williams moving to a Non- Executive role. Mr Peter Gilford assumed the role of Chief Financial Officer.

The Company raised \$58.5m through the placement of 30m shares to sophisticated and institutional investors.

The Company has determined to pay a further special fully franked dividend of 25.0c per share on 1 Oct 2014. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 27. 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	2014 \$'000	2013 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	9	104,540	122,969
Loans and receivables			
— Trade and other receivables	10(b)	138,296	60,435
Available-for-sale financial assets:			
— at fair value			
— listed investments	12	4,500	2,500
Total Financial Assets		247,336	185,904
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	16	78,947	61,386
— Borrowings	17	97,870	94,182
Total Financial Liabilities		176,817	155,568

#### 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.

##### 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### *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 27 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 10(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 10(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 lease 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.

	Financial liability and financial asset maturity analysis							
	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014 '000	2013 '000	2014 '000	2013 '000	2014 '000	2013 '000	2014 '000	2013 '000
<b>Financial liabilities due for payment</b>								
Trade and other payables	78,947	61,386	-	-	-	-	78,947	61,386
Finance lease liabilities	39,846	33,567	58,024	60,615	-	-	97,870	94,182
Total contractual outflows	118,793	94,953	58,024	60,615	-	-	176,817	155,568
Total expected outflows	118,793	94,953	58,024	60,615	-	-	176,817	155,568
<b>Financial assets – cash flows realisable</b>								
Cash and cash equivalents	104,539	122,969	-	-	-	-	104,539	122,969
Trade, term and loans receivables	138,296	60,435	-	-	-	-	138,296	60,435
Other investments	4,500	2,500	-	-	-	-	4,500	2,500
Total anticipated inflows	247,335	185,904	-	-	-	-	247,335	185,904
Net (outflow)/inflow on financial instruments	128,542	90,951	(58,024)	(60,615)	-	-	70,518	30,336

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 27. FINANCIAL RISK MANAGEMENT (CONTINUED)

*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	
	2014 \$'000	2013 \$'000	Within 1 Year		1 to 5 Years		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 %	2013 %
			2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000						
<b>Financial Assets:</b>												
Cash	104,540	122,969	-	-	-	-	-	-	104,540	122,969	2.98	1.81
Trade and other receivables	-	-	-	-	-	-	138,296	60,435	138,296	60,435	N/A	N/A
<b>Total Financial Assets</b>	<b>104,540</b>	<b>122,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138,296</b>	<b>60,435</b>	<b>242,836</b>	<b>183,404</b>		
<b>Financial Liabilities:</b>												
Finance lease	-	-	43,051	38,110	62,163	65,078	-	-	105,214	103,188	5.19	5.23
Trade and other payables	-	-	-	-	-	-	78,947	51,926	78,947	51,926	N/A	N/A
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>43,051</b>	<b>38,110</b>	<b>62,163</b>	<b>65,078</b>	<b>78,947</b>	<b>51,926</b>	<b>184,161</b>	<b>155,114</b>		

##### 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.

#### Sensitivity Analysis

The following illustrates sensitivities to the Group's exposures to changes in interest rates, and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of the other variables.

	Profit \$'000	Equity \$'000
<b>Year ended 30 June 2014</b>		
+/- 2% in interest rates	+/- 2,083	+/- 2,083
+/- 10% in listed investments	+/- 450	+/- 450
<b>Year ended 30 June 2013</b>		
+/- 2% on interest rates	+/- 27	+/- 27
+/- 10% in listed investments	+/- 250	+/- 250

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

## NOTE 27. 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.

	2014 \$'000	2013 \$'000
<b>NOTE 28. PARENT INFORMATION</b>		
The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.		
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Current assets	63,773	49,937
<b>TOTAL ASSETS</b>	<b>247,211</b>	<b>184,283</b>
<b>LIABILITIES</b>		
Current liabilities	181	1,298
<b>TOTAL LIABILITIES</b>	<b>181</b>	<b>1,342</b>
<b>EQUITY</b>		
Issued capital	244,813	181,822
Option reserve	95	1,010
(Accumulated losses)/ Retained profits	2,122	109
<b>TOTAL EQUITY</b>	<b>247,030</b>	<b>182,941</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>		
Profit for the year (including interco dividends)	84,077	14,766
<b>Total comprehensive income</b>	<b>84,077</b>	<b>14,766</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 28. 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 2014 (2013: none).

#### Contractual commitments

	2014 \$'000	2013 \$'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 29. COMPANY DETAILS

*The registered office is:*

MACA Limited

45 Division Street

Welshpool, Western Australia 6106

*The principal place of business is:*

MACA Limited

45 Division Street

Welshpool, Western Australia, 6106

### NOTE 30. 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 6: 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. 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.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 30. RELATED PARTY TRANSACTIONS (CONTINUED)

#### Transactions with related parties:

##### Other related parties:

Key management person and/or related party	Transaction	2014 \$	2013 \$
Partnership comprising entities controlled by Mr G.Baker, Mr R.Williams, Mr J.Moore & Mr F.Maher.	Expense - Rent on Ewing St and Division St Business premises.	702,000	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.	127,350	169,800
Kirk Mining Consultants – a company controlled by current director Mr L. Kirk.	Expense - Mining consulting fees	15,006	-
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.	3,580,825	1,968,258
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	148,500	125,000
<b>Amounts payable at year end arising from the above transactions (Receivables Nil)</b>		<b>2014 \$</b>	<b>2013 \$</b>
Kirk Mining Consultants – a company controlled by current director Mr L. Kirk.		10,296	-
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.		573,867	249,102

### NOTE 31. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments and associated Amending Standards* (applicable for annual reporting periods commencing on or after 1 January 2017).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

### NOTE 31. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (CONTINUED)

- Interpretation 21: *Levies* (applicable for annual reporting periods commencing on or after 1 January 2014).  
Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.
- AASB 2013-3: *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).  
This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.
- AASB 2013-4: *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual reporting periods commencing on or after 1 January 2014).  
AASB 2013-4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.
- AASB 2013-5: *Amendments to Australian Accounting Standards – Investment Entities* (applicable for annual reporting periods commencing on or after 1 January 2014).  
AASB 2013-5 amends AASB 10: *Consolidated Financial Statements* to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

# DIRECTOR'S DECLARATION

The directors of the company declare that:

1. The financial statements set out on pages 35 to 71 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 explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company and consolidated group;
2. the Managing Director (acting as Chief Executive Officer) and Chief Finance Officer have each declared that;
  - (a) the financial records of the Group for the financial year have been properly maintained in accordance with s295A of the *Corporations Act 2001*;
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards Board; and
  - (c) the financial statements and notes for the financial year give a true and fair view;

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:



**Chris Tuckwell**  
Managing Director

Dated at Perth this 25<sup>th</sup> day of September 2014

# 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 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 and fair presentation 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 time of this auditor's report.

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## INDEPENDENT AUDITOR'S REPORT

### *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 2014 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**

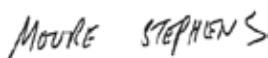
We have audited the remuneration report as included in the Directors' Report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to 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 2014 complies with s 300A of the *Corporations Act 2001*.



**Suan-Lee Tan**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 25<sup>th</sup> day of September 2014

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# SHAREHOLDER INFORMATION

As at 15 September 2014

## 1. NUMBERS OF HOLDERS OF EQUITY SECURITIES

### a. Ordinary Share Capital

232,676,373 fully paid ordinary shares are held by 1,324 individual shareholders.

### b. Listed Options

There are no listed options.

### c. Unlisted Options

There are no unlisted options.

### d. Distribution of Holders of Equity Securities as of 15 September 2014

	Total Holders	Units	% of issued capital
1 - 1,000	268	140,221	0.06
1,001 – 5,000	660	2,039,934	0.87
5,001 – 10,000	348	2,918,033	1.25
10,001 – 100,000	419	11,600,538	4.99
100,001 – and over	51	215,977,647	92.82
Total	1,746	232,676,373	100.00

### e. Substantial Share and Option Holders

The names of the substantial shareholders listed in the Company's register as at 15 August 2014:

	Number
1. National Nominees Limited	40,501,728
2. JP Morgan Nominees Australia Limited	39,359,827
3. HSBC Custody Nominees (Australia) Limited	24,372,036
4. Gemblue Nominees Pty Ltd <The G A Baker Family A/C>	15,000,000
5. Mr Francis Joseph Maher + Ms Sharon Jane Maher <The Maher Family A/C>	14,800,000
6. Mining & Civil Management Services Pty Ltd	14,350,000

There were no substantial option holders listed in the Company's register as at 15 September 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 15 September 2014, there were 37 holders who held shares that were unmarketable parcels.

## SHAREHOLDER INFORMATION

As at 15 September 2014

### 2. Twenty Largest Shareholders

	Name	Number	Percentage
1.	NATIONAL NOMINEES LIMITED	40,501,728	17.41
2.	J P MORGAN NOMINEES AUSTRALIA LIMITED	39,359,827	16.92
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,372,036	10.47
4.	GEMBLUE NOMINEES PTY LTD <THE G A BAKER FAMILY A/C>	15,000,000	6.45
5.	MR FRANCIS JOSEPH MAHER + MS SHARON JANE MAHER <THE MAHER FAMILY A/C>	14,800,000	6.36
6.	MINING & CIVIL MANAGEMENT SERVICES PTY LTD	14,350,000	6.17
7.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PI POOLED A/C>	12,649,184	5.44
8.	BNP PARIBAS NOMS PTY LTD <DRP>	7,908,444	3.40
9.	MR JAMES EDWARD MOORE + MS JULIA CATHERINE MOORE	7,725,000	3.32
10.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	6,655,381	2.86
11.	CITICORP NOMINEES PTY LIMITED	5,159,363	2.22
12.	ZERO NOMINEES PTY LTD	3,705,000	1.59
13.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,487,940	1.50
14.	MR ROSS CAMPBELL WILLIAMS <WILLIAMS TRADING A/C>	2,500,000	1.07
15.	AUST EXECUTOR TRUSTEES LTD <CHARITABLE FOUNDATION>	2,232,438	0.96
16.	AMP LIFE LIMITED	2,211,278	0.95
17.	NATIONAL NOMINEES LIMITED <DB A/C>	1,734,144	0.75
18.	BRISPTOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>	1,419,839	0.61
19.	UBS NOMINEES PTY LTD	1,332,604	0.57
20.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A/C>	902,667	0.39

### 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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