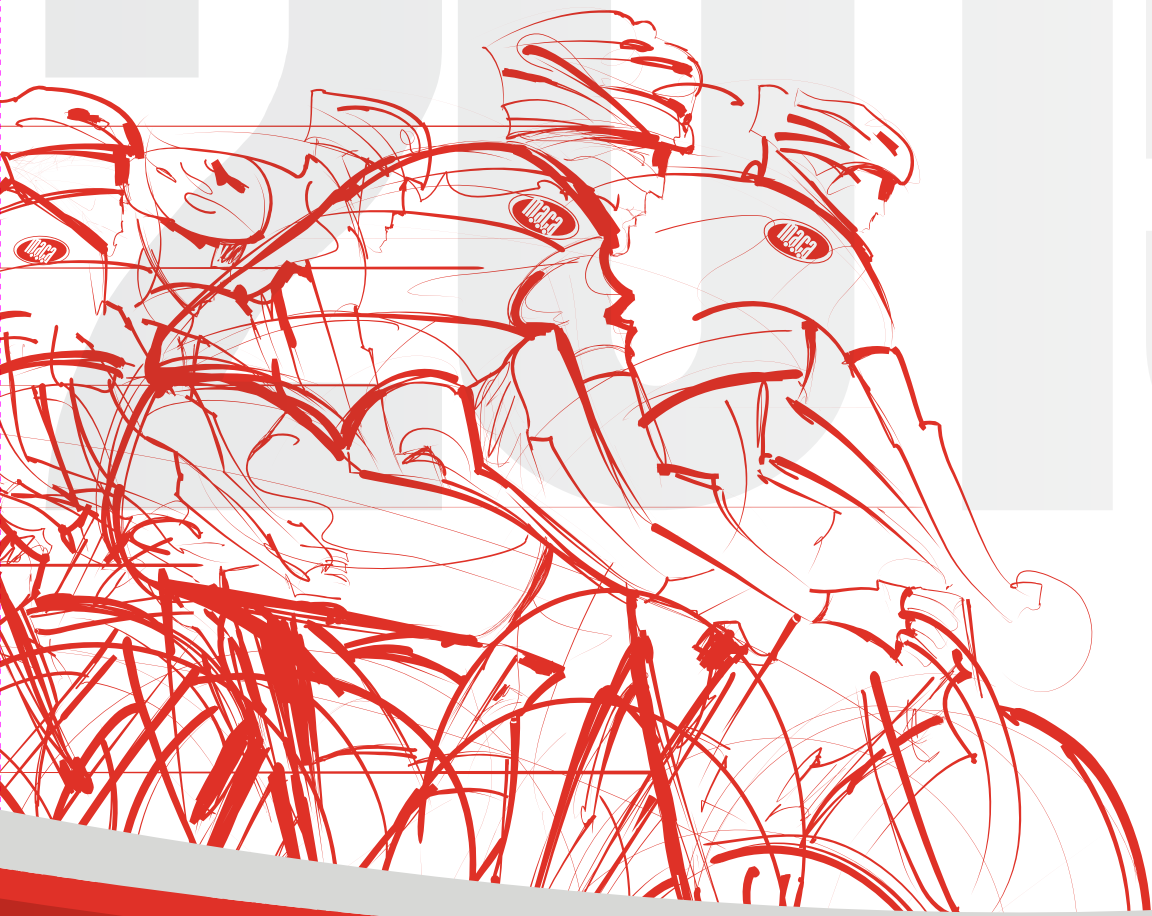




# ANNUAL REPORT

# 2015



# CORPORATE DIRECTORY

## MACA Limited

ABN 42 144 745 782

### Directors

#### Andrew Edwards

Non-executive Chairman

#### Chris Tuckwell

Managing Director/Chief Executive Officer  
(appointed 4 August 2014)

#### Geoff Baker

Operations Director

#### Linton Kirk

Non-executive Director

#### Robert Ryan

Non-executive Director  
(appointed 18 August 2015)

#### Peter Gilford

Company Secretary

### Registered Office

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

### Solicitors

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

### Auditors

Moore Stephens  
Level 3, 12 St Georges Terrace  
PERTH WA 6000

### Share Registry

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

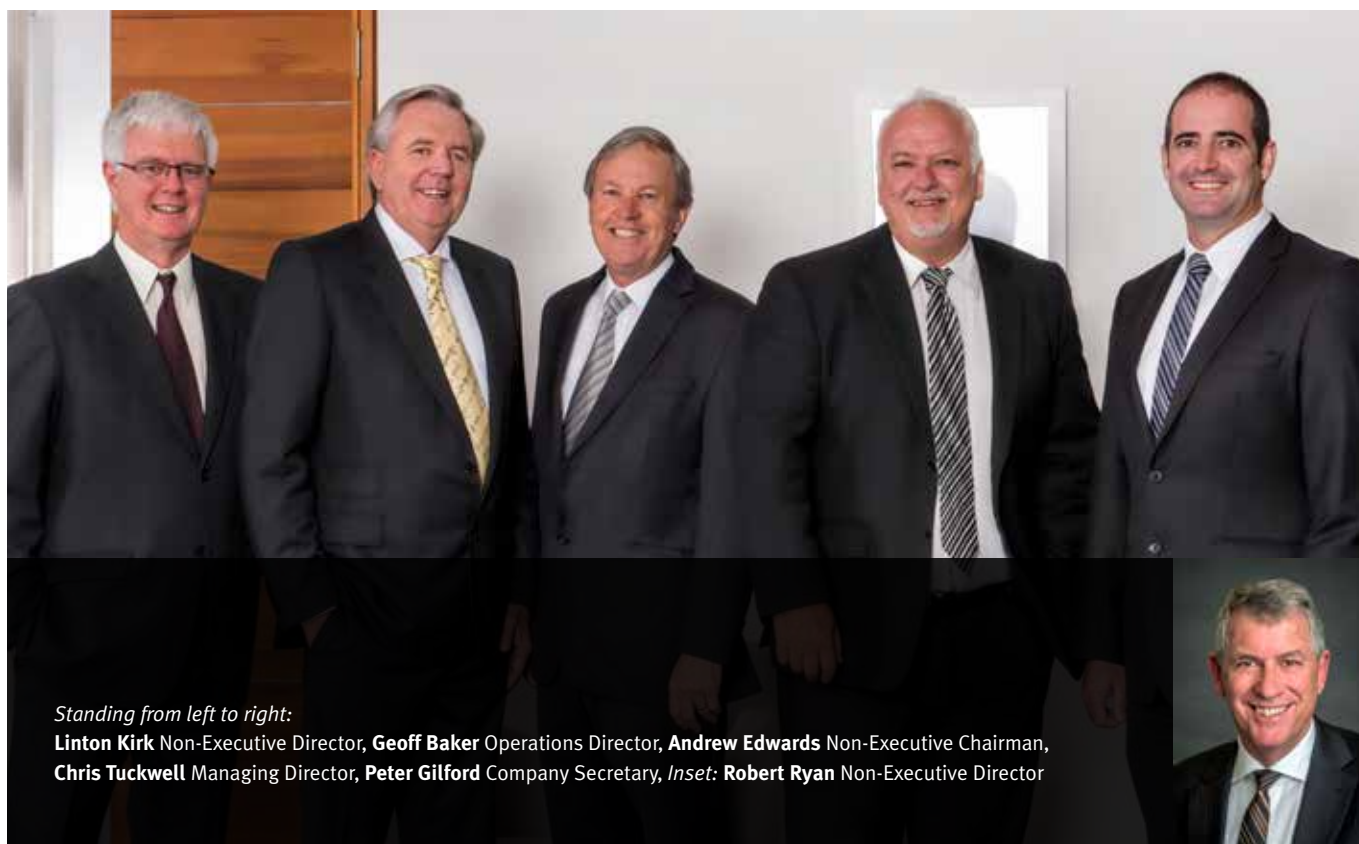
### Stock Exchange Listings

MACA Limited shares are listed on  
the Australian Securities Exchange

### ASX Code : MLD

### Website Address

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



*Standing from left to right:*

**Linton Kirk** Non-Executive Director, **Geoff Baker** Operations Director, **Andrew Edwards** Non-Executive Chairman,  
**Chris Tuckwell** Managing Director, **Peter Gilford** Company Secretary, *Inset:* **Robert Ryan** Non-Executive Director

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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').

MACA has consistently delivered on its earnings forecasts and maintains continuing positive forward projections based on its solid financial and operational capacity. Since listing in November 2010 MACA has paid a total of \$1.075 per share in dividends to shareholders.

In 2014 the company commenced overseas work with the Tucano gold project for Beadell Resources in Brazil being the first offshore venture for the company. Since the end of the financial year MACA has received a Letter of Intent for a copper project with Avanco Resources at their Antas North operation also in Brazil.

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 1,050 employees and sub-contractors.



# CHAIRMAN'S ADDRESS

**2015 PROVIDED A VERY CHALLENGING ENVIRONMENT FOR THE MINING AND CIVIL SERVICES SECTORS. WEAK COMMODITY PRICES AND A SUBDUED ECONOMIC OUTLOOK RESULTED IN DIFFICULT TRADING CONDITIONS, PARTICULARLY IN THE SECOND HALF OF THE YEAR, WHICH IN TURN HAVE WEIGHED ON YOUR COMPANY'S SHARE PRICE.**

Against this background I am very pleased to report that MACA delivered a full year net profit after tax of \$54.4 million, only slightly less than the previous year. This is testament to the resilience of MACA's business and our people, as well as the preparedness to work hard with our clients to achieve mutually beneficial outcomes. A good example of this is the innovative Collaboration Agreement entered into with Atlas Iron following suspension of operations at the Abydos mine.

The Company's financial result reflects a solid operating performance on continuing projects plus the winning of new contracts at Tucano (Beadell Resources in Brazil), Andy Well (Doray Minerals), Wodgina (Atlas Iron) and the Hinge Project (Karara Mining), as well as a number of resources and road-works project awarded to MACA Civil. The Tucano Project is MACA's first overseas venture and should be followed in due course by the Antas North operation (Avanco Resources) as announced in the Letter of Intent received after year end. These projects increase MACA's geographical footprint and continue to rebalance activities away from iron ore.

During the year operations ceased at Peculiar Knob (Atlas Iron), Paroo Station (Rosslyn Hill Mining), Ellendale (Kimberley Diamonds) and Blue Hills (Sinosteel Midwest Corporation). Pleasingly, the Company was able to successfully deploy personnel and plant and equipment from terminated contracts into other projects.

Operating cash flow was very strong at \$136.5 million. The Company retains a strong balance sheet with a cash balance at 30 June 2015 of \$118.5 million and net cash (after deducting interest bearing debt) of \$42.3 million.

Your Directors have declared a final dividend of 7.5 cents per share taking the total dividends for the year to 39.5 cents fully franked, including the special dividend of 25 cents per share paid in October 2014. This represents a 60% dividend payout ratio (excluding the special dividend) which is consistent with the Company's targeted guideline and the Board's objective to both provide a return to shareholders and retain cash resources to fund future growth plans.

MACA has a solid level of work in hand (\$1.2 billion as at 30 June 2015) and a balance sheet that provides the capability to support its strategy to pursue organic growth opportunities and potential acquisitions. Nevertheless, trading conditions are expected to remain challenging in the current financial year. As previously announced, MACA is expecting revenue to fall in FY2016 but still exceed \$450 million, of which in excess of 85% is contracted.

I would like to especially thank our leadership team and staff for their efforts over the past year in a very trying operating environment. Our people have again demonstrated their capability to successfully support our clients and continue delivering strong operating, safety and financial outcomes.

At Board level we farewelled one of MACA's founders, Ross Williams, during the year. We wish Ross all the best in his future endeavours and thank him for his significant contribution to the Company's success. I am delighted to welcome Robert Ryan to the Board and look forward to his future contribution. Thank you to all my fellow Directors for their wise counsel and support.

Your Company's Board and management believe that MACA is well positioned to take advantage of future opportunities, including those presented by upturns in the commodities cycle, and we will be actively pursuing our growth strategy to secure these.



**Andrew Edwards**  
Chairman



# MANAGING DIRECTOR'S REVIEW OF OPERATIONS

**ON THIS, THE 12<sup>TH</sup> YEAR OF OPERATION OF MACA AND OUR FIFTH SINCE LISTING IN 2010, I AM PLEASED TO PRESENT A REVIEW OF THE COMPANY'S PERFORMANCE TO SHAREHOLDERS OF MACA LIMITED.**

The full year earnings result demonstrates the strength of MACA's business, despite what has been a very challenging operating environment for the mining and civil sectors due to weak commodity prices and poor market sentiment. In November 2014, MACA commenced work overseas with the Tucano gold project in Brazil. Since the end of the financial year MACA has also received a Letter of Intent from Avanco Resources at their Antas North copper operation. Operational activities have rebalanced away from iron ore with these contract wins in Brazil with Beadell and Avanco Resources. This increased geographical presence and experience, coupled with a strong balance sheet has MACA well placed to secure further opportunities.

## HIGHLIGHTS

Operating revenue up  
1.0% to \$601.4 million

EBITDA up 2.7% to  
\$138.2 million

Net profit after tax down  
1.8% to \$54.4 million

Cash from operating  
activities \$136.5 million



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 Rosemont, Garden Well and Moolart Well for Regis Resources and Abydos for Atlas Iron. Projects commenced during the year were the Hinge project for Karara Mining, Andy Well for Doray Minerals, Wodgina for Atlas Iron and the company's first off-shore operation at Tucano in Brazil, South America for Beadell Resources. Operations at Rosslyn Hill Mining, Peculiar Knob for Arrium, Blue Hills for Sinosteel Midwest and Ellendale for Kimberley Diamonds were closed during the second half with MACA successfully deploying personnel and equipment to other MACA projects.

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

- A strong and maintained focus on the management and execution of our operations.
- Commitment to our clients and the relationships in our business.
- Financial performance driven by high levels of utilization and a disciplined approach to operational and overhead management.
- The daily delivery of services and outcomes through the talent of our workforce who demonstrate the Company's commitment to working safely every day.
- A demonstrated commitment to our "Can Do" culture and our promise; *We care; We deliver* and *We are flexible*.
- Innovative ways of extending a business relationship with a Collaboration Agreement and a new business relationship with a share placement participation and a Preferred Contractor Status Agreement.

Full year dividends up 3.6%  
to 14.5 cents fully franked

The Company paid a special dividend of 25  
cents per share in October 2014 taking the  
full year dividends to 39.5 cents

Strong balance sheet  
with a net cash position  
of \$42.3 million

## FINANCIAL PERFORMANCE

	30 June 2015	30 June 2014	Movement
Revenue	\$601.4m	\$595.4m	1.0%
EBITDA	\$138.2m	\$134.6m	2.7%
EBIT	\$79.1m	\$82.1m	(3.7)%
Net Profit Before Tax	\$77.6m	\$79.6m	(2.5)%
Net Profit After Tax	\$54.4m	\$55.4m	(1.8)%
Contracted Work in Hand	\$1,223m	\$1,307m	(6.4)%
Operating Cash Flow	\$136.5m	\$46.8m	292%
Earnings per share - basic	24.0 cents	30.3 cents	(20.8)%
Dividends per share (fully franked)	39.5 cents	44.0 cents	(10.2)%

Group revenue increased overall with continued growth in the core mining segment of 4.8% and a revenue decline in the civil business of 23.7%.

The after tax profit has decreased by 1.8%, from \$55.4 million in 2014 to \$54.4 million for the year ended 30 June 2015.

EBITDA (Earnings before interest, tax, depreciation and amortisation) grew from \$134.6 million in FY2014 to \$138.2 million for the period ending 30 June 2015, again demonstrating consistency in returns of the group.

## DIVIDEND

On the 18<sup>th</sup> August 2015, the board of MACA Limited declared a final dividend for the financial year ending 2015 of 7.5 cents per share. This represents a 60% payout ratio (excluding the special dividend) which is consistent with our targeted guideline and the Board's objective to both provide a return to shareholders and retain cash resources to pursue future growth opportunities.

The total dividend paid during the year was \$89.657 million (2014: \$81.761 million). This included a 7.5 cent per share final dividend and interim dividend of 7.0 cents per share equaling \$31.5 million and a 25 cent per share special dividend equaling \$58.2 million. This brings the full year dividends to 39.5 cents per share fully franked.





## OPERATING CASH FLOW AND CAPITAL EXPENDITURE

Operating cash flow for the 12 months ending 30 June 2015 was \$136.5 million.

Capital expenditure for the financial year was \$50.9 million. Capital was prioritised for the purchase of new and replacement equipment funded through a combination of cash and commercial hire purchase agreements in both our onshore and offshore jurisdictions.

Assets were purchased primarily for the new contract works in Brazil and other assets in Australia purchased to replace specific plant and equipment previously hired and also plant sold off to match activity levels.

## BALANCE SHEET AND GEARING

Despite the slight increase in revenue and assets employed, the group as at 30 June 2015 remains in a strong financial position with a net cash position of \$42.3 million and with cash on hand of \$118.5 million. During the period MACA successfully raised \$58.5 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 2015 the Company had work-in-hand of \$1,223 million with an average mining contract term of 36 months.

## OPERATIONS

### Mining and Crushing

The division's revenue of \$542 million represented 90% of the total group revenue and was derived from continuing operations, the completion of four projects and the commencement of four new projects during the period.

Mining and crushing contracts by sector commenced, continued and completed from July 2014 include:

### Iron Ore

▶ Mining services and crushing and screening services	
Commencement	Karara Mining at Hinge in July 2014 Atlas Iron at Wodgina in May 2015
Continuation	Atlas Iron at Abydos
Completed	Arrium at Peculiar Knob in April 2015 Sinosteel Midwest Corporation at Blue Hills in April 2015

### Gold

▶ Mining services	
Commencement	Beadell Resources at Tucano (Brazil, South America) in November 2014 Doray Minerals at Andy Well in January 2015
Continuation	Regis Resources at Moolart Well Regis Resources at Garden Well Regis Resources at Rosemont

### Base Metals

▶ Mining services	
Completed	Roslyn Hill Mining at Paroo Station (to care and maintenance)

### Other Minerals

▶ Mining services	
Completed	Kimberley Diamonds at Ellendale in April 2015

Mining and crushing contracts by sector commenced subsequent to June 2015 include:

### Copper

▶ Mining services	
Letter of Intent received	Avanco Resources at Antas (Brazil, South America) in August 2015

### Civil

The civil business maintained its strong relationship with Main Roads Western Australia by completing the delivery of the Browns Range Alliance and the Safelinks Program Alliance projects during the period. In addition, MACA Civil was awarded and completed a number of resource projects for Rio Tinto and Calibre, and a number of road-works projects both as the principal contractor and in joint venture. MACA Civil achieved re-certification in the National pre-qualification system to R4 level and has successfully completed two Federal Safety Commissioner Audits retaining its accreditation to the Office of Federal Safety. This allows continued participation on or competing for federally funded public infrastructure projects.



Civil contracts by sector commenced, continued and completed from July 2014 include:

**Mining sector**

*Rio Tinto - Maitland and Murray Camp Rail Sidings*

Bulk earthworks for formation extensions to key passing track sidings on the Deepdale Line for Rio Tinto's railway (completed August 2014)

*Rio Tinto - B2/B4 Access Road*

Construction of 13km of sealed access road between Brockman 2 and Brockman 4 mine sites including bulk earthworks, drainage structures, pavements and seal (completed May 2015)

**Public sector**

*Main Roads Department of Western Australia*

*Browns Range Alliance*

Construction of flood levee banks (completed November 2014)

*Safe Links Alliance*

Reconstruction and widening of roads within the Midwest regions (completed November 2014)

*NWCH - Manilya to Mia Mia section*

Construct Only project - Widening, reconstruction and overlay of 40km of major North West Coastal Highway (NWCH) including replacement of all under road culverts (due for completion December 2015)

*Marble Bar Road Upgrade*

Construct Only project - Reconstruction of road alignment, construction of new floodways and major drainage structures (completed June 2015)

*Bussell Highway - Vasse Bypass*

Construct Only project - Works includes all earthworks, pavements, seal work, bridge works and precast concrete underpass (due for completion February 2016)



## HEALTH, SAFETY AND ENVIRONMENT

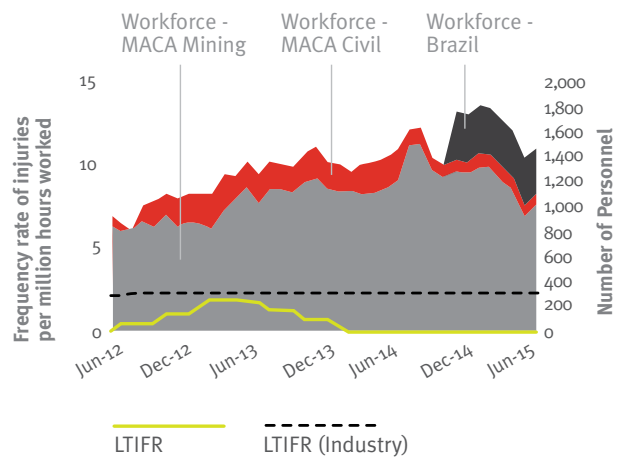
MACA manages risk through the continual improvement, measurement and review of its systems and processes targeted specifically to prevent incidents. Quarterly audits are conducted across all projects with compliance measured against our certified Occupational Health and Safety Management Systems (AS/NZS: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

We acknowledge that the successful leadership in safety is critical 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 with the goal of 'Zero Harm' underpinning every task we perform in the workplace.

The continued focus on health and safety through our audit and compliance processes has seen our Lost Time Injury Frequency Rate (LTIFR) at zero for FY15 and thus remain below industry benchmarks, a good outcome considering the business growth in the first half and closure of some projects in the second half.

## People and safety performance



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

During the third quarter MACA Mining and MACA Civil both completed a re-certification of all systems within OHSMS (AS/NZS: 4801) and EMS (ISO: 14001) and MACA Civil gained accreditation to the Federal Building and Construction OHS Scheme. This safety accreditation facilitates access to tender opportunities listed as federally funded projects.

## QUALITY MANAGEMENT

MACA Mining and MACA Civil completed re-certification for its Quality Management Systems (ISO: 9001) during the year and continues to develop their systems to support growth through continual measurement and review.

## HUMAN RESOURCES

As at 30 June 2015 the Group had a total workforce of approximately 1,050 employees and subcontractors.

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

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.

MACA continues to develop and improve a number of programs to enhance the performance and satisfaction of our workforce even when the industry in general has retracted. Internal and external leadership programs, 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.

MACA's apprenticeship scheme also continued to grow in the 2015 financial year with an intake of critical trade first year and mature age apprentices. Pleasingly MACA's engineering scholarship program has seen the first participants continue through the organization to become Project Managers. 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.

## 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 increased its sponsorship level to Title Sponsor for the 'Ride to Conquer Cancer (RTCC)' 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 \$1.5m 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 with the West Australian Symphony Orchestra and the Hawaiian Ride for Youth.



**Chris Tuckwell**  
Managing Director, CEO



# DIRECTORS' REPORT

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of MACA Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2015.

## DIRECTORS

The following persons were directors of MACA Limited during whole or part of the financial year and up to the date of this report, unless otherwise stated:

Mr (Hugh) Andrew Edwards (Chairman, Non-executive Director)

Mr Christopher Mark Tuckwell (Chief Executive Officer and Managing Director) - appointed 4<sup>th</sup> August 2014

Mr Geoffrey Alan Baker (Operations Director)

Mr Linton John Kirk (Non-executive Director)

Mr Robert Neil Ryan (Non-executive Director) - appointed 18<sup>th</sup> August 2015

Mr Ross Campbell Williams (Non-executive Director) - resigned 23<sup>rd</sup> February 2015

Mr Joseph Ronald Sweet (Non-executive Director) - resigned 23<sup>rd</sup> July 2014

## 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.

## DIVIDENDS PAID OR RECOMMENDED

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

	2015	2014
	cps	cps
Interim dividend declared and paid for per ordinary share	7.0	6.5
Final dividend declared and paid for per ordinary share	7.5	7.5
Special dividend declared and paid for per ordinary share	25.0	30.0

The final fully franked dividend will be paid on 25<sup>th</sup> September 2015.

## 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.

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 that forms part of this Directors' report.

	FY2015	FY2014	Change	
	\$'m	\$'m		
Revenue	\$601.4	\$595.4	1.0%	▲
EBITDA	\$138.2	\$134.6	2.7%	▲
EBIT	\$79.1	\$82.1	3.7%	▼
Net Profit before tax	\$77.6	\$79.6	2.5%	▼
Net Profit after tax	\$54.4	\$55.4	1.8%	▼
Contracted Work in Hand	\$1,223	\$1,307	6.4%	▼
Operating Cashflow	\$136.5	\$46.8	292%	▲
Dividend per share (fully franked)	39.5 cents	44.0 cents	10.2%	▼
Basic earnings per share	24.0 cents	30.3 cents	20.8%	▼

## ENVIRONMENTAL ISSUES

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

## 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

During the year MACA incorporated a 100% owned Brazilian subsidiary MACA Mineração e Construção Civil Ltda. There have been no other changes in the controlled entities comprising the Group.

## EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year MACA Limited has received a Letter of Intent from Avanco Resources Limited in relation to its Antas North project in Brazil, South America. The works are expected to generate revenue of approximately \$120 million over a contract term of 5 years. The works will require approximately \$20 million in capital equipment during the financial year ended 30 June 2016.

Subsequent to the end of the financial year MACA received shares and options in Atlas Iron Limited for a subscription value of approximately \$4.79 million. Upon the shares relisting, MACA transferred amounts outstanding to available for sale investments after booking an impairment on debtors of \$0.76 million. MACA's exposure is capped at \$1.37 million under an insurance policy.

Kimberley Diamond Company Pty Ltd was placed into administration owing MACA \$1.55 million. An impairment on trade debtors has been recognised as an expense in the accounts at 30 June 2015.

MACA appointed Mr Robert Ryan as a Non-Executive Director. Refer ASX announcement 18 August 2015.

MACA has been awarded the Fortescue River Bridge by the MRWA in joint venture capacity.

Other than the matters detailed above no 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.

## INFORMATION ON CURRENT DIRECTORS

<b>Name:</b>	<b>Mr Andrew Edwards</b>
<b>Title:</b>	Independent Non-executive Chairman
<b>Qualifications:</b>	B Com, FCA, SF Finsia, FAICD
<b>Experience and expertise:</b>	Mr Edwards is a former Managing Partner of PriceWaterhouseCoopers (PwC), Perth Office, a former national Vice President of the Securities Institute of Australia (now the Financial Institute of Australasia) and a former President of the Western Australian division of that Institute. Mr Edwards is a Fellow of Chartered Accountants Australia and New Zealand and has served as state councilor of that Institute.
<b>Current directorships:</b>	Mr Edwards has been a board member of MACA Limited since 10 <sup>th</sup> November 2010. Mr Edwards is currently a Non-executive Director of MMA Offshore Limited (appointed December 2009) and Nido Petroleum Limited (appointed December 2009).
<b>Former directorships (in last 3 years):</b>	Mr Edwards was a Non-executive Director of Aspire Mining Limited from July 2011 to May 2014.
<b>Special responsibilities:</b>	Mr Edwards is currently a member of the Board's Remuneration Committee, Audit Committee and Risk Committee.
<b>Interest in shares<sup>1</sup></b>	20,000

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

<b>Name:</b>	<b>Mr Chris Tuckwell</b>
<b>Title:</b>	Chief Executive Officer and Managing Director
<b>Qualifications:</b>	B Eng (Construction)
<b>Experience and expertise:</b>	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 the past 30 years. During his career Mr Tuckwell has also fulfilled senior off-shore management and executive positions in West and East Africa, South America, Indonesia and the West Indies.
<b>Current directorships:</b>	Mr Tuckwell has been a board member of MACA Limited since 4 <sup>th</sup> August 2014.
<b>Former directorships (in last 3 years):</b>	Mr Tuckwell was a board member of MACA Limited from 10 <sup>th</sup> November 2010 to 25 <sup>th</sup> July 2012.
<b>Special responsibilities:</b>	Mr Tuckwell is currently a member of the Board's Risk Committee.
<b>Interest in shares</b>	612,500

<b>Name:</b>	<b>Mr Geoff Baker</b>
<b>Title:</b>	Operations Director
<b>Qualifications:</b>	
<b>Experience and expertise:</b>	Mr Baker is a founding shareholder of MACA. Geoff is responsible for planning, operating strategy, capital expenditure and delivery of safety and financial outcomes on all projects. Mr Baker has worked in the sector for 36 years focusing on plant maintenance and asset management.
<b>Current directorships:</b>	Mr Baker has been a board member of MACA Limited since 10 <sup>th</sup> November 2010.
<b>Former directorships (in last 3 years):</b>	Nil
<b>Special responsibilities:</b>	Mr Baker is currently a member of the Board's Risk Committee.
<b>Interest in shares</b>	15,000,000

<b>Name:</b>	<b>Mr Linton Kirk</b>
<b>Title:</b>	Independent Non-executive Director
<b>Qualifications:</b>	B Eng (Mining) FAusIMM (CP) GAICD
<b>Experience and expertise:</b>	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 management positions in a variety of mining and mining service companies throughout the world prior to becoming a consultant in 1997. Mr Kirk holds a Bachelor of Engineering (Mining) degree from the University of Melbourne, is a fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and is a graduate of the Australian Institute of Company Directors.
<b>Current directorships:</b>	Mr Kirk has been a board member of MACA Limited since 1 <sup>st</sup> October 2012. Mr Kirk is currently a Non-executive Director of Middle Island Resources Ltd (appointed September 2011).
<b>Former directorships (in last 3 years):</b>	Nil
<b>Special responsibilities:</b>	Mr Kirk is currently the Chair of the Boards' Audit Committee and Risk Committee and a member of the Remuneration Committee
<b>Interest in shares</b>	50,000



<b>Name:</b>	<b>Mr Robert Ryan</b>
<b>Title:</b>	Independent Non-executive Director (appointed 18 <sup>th</sup> August 2015)
<b>Qualifications:</b>	CP Eng MIEAust
<b>Experience and expertise:</b>	Mr Ryan has extensive civil contracting and construction engineering experience with particular expertise in engineering, project, asset and senior management. His experience in infrastructure projects is substantial. Mr Ryan has extensive experience at senior levels of a significant public company and was a partner in a successful civil earthmoving business for over 12 years.
<b>Current directorships:</b>	Mr Ryan has been a board member of MACA Limited since 18 <sup>th</sup> August 2015.
<b>Former directorships (in last 3 years):</b>	Nil
<b>Special responsibilities:</b>	Mr Ryan is currently the Chair of the Boards' Remuneration Committee and member of the Audit Committee and Risk Committee.
<b>Interest in shares</b>	Nil

## INFORMATION ON PAST DIRECTORS

<b>Name:</b>	<b>Mr Ross Williams</b>
<b>Title:</b>	Chief Financial Officer (resigned 23 <sup>rd</sup> July 2014) Non-executive Director (resigned 23 <sup>rd</sup> February 2015)
<b>Qualifications:</b>	PgD FSM
<b>Experience and expertise:</b>	Mr Williams was a founding shareholder of MACA and until recently held the position of CFO with responsibility for capital management, finance, financial reporting and corporate strategy, and in the latter period of his time on the board was a non-executive director. Mr Williams also has 16 years banking experience having held executive positions with a major Australian bank. Ross is a past fellow of the Australian Institute of Banking and Finance and holds a Post Graduate Diploma in Financial Services Management.
<b>Current directorships:</b>	Mr Williams is currently a Non-executive Director of Emerald Oil and Gas (appointed October 2013) and Neon Energy (appointed March 2015).
<b>Former directorships (in last 3 years):</b>	Mr Williams was the Finance Director of MACA Limited from November 10 <sup>th</sup> November 2010 to 23 <sup>rd</sup> July 2014.
<b>Special responsibilities:</b>	Mr Williams was a member of the Board's Remuneration Committee, Audit Committee and Risk Committee.
<b>Interest in shares</b>	2,500,000 on cessation of directorship

<b>Name:</b>	<b>Mr Joseph (Joe) Sweet</b>
<b>Title:</b>	Independent Non-executive Director (resigned 23 <sup>rd</sup> July 2014)
<b>Qualifications:</b>	B Eng (Civil)
<b>Experience and expertise:</b>	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. Mr Sweet held senior management roles and Board positions within the Bell Group from 1969 to 1988.
<b>Current directorships:</b>	Mr Sweet holds no other directorships.
<b>Former directorships (in last 3 years):</b>	Mr Sweet was a Non-executive Director of MACA Limited from 10 <sup>th</sup> November 2010 to 23 <sup>rd</sup> July 2014.
<b>Special responsibilities:</b>	Mr Sweet was a member of the Board's Risk Committee and Audit Committee and Chairman of the Remuneration Committee.
<b>Interest in shares</b>	100,000 on cessation of directorship

## COMPANY SECRETARY

<b>Name:</b>	<b>Mr Peter Gilford</b>
<b>Title:</b>	Chief Financial Officer / Company Secretary
<b>Qualifications:</b>	B Com, CA
<b>Experience and expertise:</b>	Mr Gilford has 14 years' experience in the areas of financial management, accounting, business and taxation services. He has provided services to a large number of mining, exploration and construction companies and has provided services to MACA for over 9 years. Mr Gilford has acted in roles of Director, Company Secretary and CFO for a number of privately owned businesses. Peter is a member of the Chartered Accountants Australia and New Zealand and has completed a Graduate Diploma in applied Corporate Governance with the Governance Institute of Australia.

## 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<sup>th</sup> June 2015 were as follows:

	Directors' Meetings				Committee Meetings			
	Number eligible to attend	Number attended	Audit		Remuneration		Risk	
			Number eligible to attend	Number attended	Number eligible to attend	Number Attended	Number eligible to attend	Number attended
Andrew Edwards	6	6	2	2	2	2	2	2
Chris Tuckwell <sup>1</sup>	6	5	-	-	1	1	2	2
Geoff Baker	6	6	-	-	-	-	2	2
Linton Kirk	6	6	2	2	2	2	2	2
Ross Williams <sup>2</sup>	4	4	2	2	1	1	1	1
Joseph Sweet <sup>3</sup>	-	-	-	-	-	-	-	-

<sup>1</sup> Mr Tuckwell was appointed on 4<sup>th</sup> August 2014

<sup>2</sup> Mr Williams resigned on 23<sup>rd</sup> February 2015

<sup>3</sup> Mr Sweet resigned on 23<sup>rd</sup> July 2014

## REMUNERATION REPORT

The audited remuneration report is set out on pages 20 to 32 and forms part of this Directors' report.

## INDEMNIFYING OFFICERS OR AUDITOR

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

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

## PROCEEDINGS ON BEHALF OF COMPANY

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

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

## 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 directors' report have been rounded to the nearest thousand dollars.

## 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 38 and forms part of the directors' report for the financial year ended 30 June 2015.

## FUTURE DEVELOPMENTS

The Directors are of the opinion that MACA remains in a strong position to pursue future opportunities as they arise. The board and management remain focused on delivering returns to shareholders and will pursue its strategy to target organic growth opportunities and potential acquisitions.

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.

MACA's current 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 Directors' Review of Operations include an overview of likely future developments in the operations of the Group.

## RISK

MACA's risk management framework is embedded within existing processes and is aligned to the Company's strategic business objectives. Given the markets and the geographies in which the Company operates, a wide range of risk factors have the potential to affect the achievement of these objectives. For further information in relation to the Company's risk management framework, refer to the Corporate Governance Statement.

Set out below is an overview of the more significant business risks facing MACA and the approach taken to managing those risks. These risks do not comprise every risk that MACA could encounter nor are they set out in any particular order, when conducting its business.

### Health, Safety, Sustainability and Environment Risk

The mining industry involves a high degree of operational risk. MACA believes it takes reasonable precautions to manage safety and environmental risks to ensure the continued sustainability of the business. However, there can be no assurance that the Company will avoid significant costs, liability and penalties or criminal prosecution. This risk is mitigated by progressively improving on already high safety performance standards across the business and by maintaining independently reviewed health and safety, environmental and quality certifications.

### **Demand Risk**

MACA is a contractor operating predominantly in the mining and resources sector. As a result, failure to obtain contracts, delays in awards of contracts, cancellations or terminations of contracts, delays in completion, changes in economic conditions and the volatile and cyclical nature of commodity prices means that the demand for MACA's goods and services can vary markedly over relatively short periods. Accordingly, changes in market conditions could impact MACA's financial performance. The Company seeks to manage demand risk as best it can by maintaining a diversified client base and commodity mix.

### **Order Book Risk**

Generally in the mining industry, most contracts can be terminated for convenience by the customer at short notice and without penalty, with the customer paying for all work completed to date, unused material and in most cases demobilisation from the site and redundancies. As a result, there can be no assurance that work in hand will be realised as revenue in any future period. MACA seeks to manage this risk by being selective in the contracts that it enters into and always seeks to extend contracts where possible in an effort to maximise its return on capital.

### **Project Delivery Risk**

The execution and delivery of projects involves judgment regarding the planning, development and operation of complex operating facilities and equipment. Some parts of MACA's business are involved in large-scale projects that may occur over extended time periods. As a result, the Company's operations, cash flows and liquidity could be affected if MACA miscalculates the resources or time needed to complete a project, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. MACA maintains a strict project monitoring regime, proactive management and decision making to mitigate project delivery risks.

### **Competition Risk**

The market in which MACA operates is highly competitive, which may result in downward pressure on prices and margins. If MACA is unable to compete effectively in its markets, it runs the risk of losing market share. MACA continues to focus on delivering quality services to make us a contractor of choice as a means of mitigating this risk.

### **Contract Pricing Risk**

MACA has mixed exposure to contract types. However, if the Company materially underestimates the cost of providing services, equipment, or plant, there is a risk of a negative impact on MACA's financial performance. MACA follows a proven tender review process to reduce the risk of under-pricing contracts.

### **Liquidity Risk**

The risk of MACA not being able to meet its financial obligations as they fall due is managed by maintaining adequate cash reserves and available borrowing facilities, as required. Errors or unforeseen changes in actual and forecast cash flows that then create a mismatch against the maturity profiles of financial assets and liabilities could have a detrimental effect on the Company's liquidity. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Partner Risk

MACA, in some cases, may undertake services through and participate in, joint ventures or partnering/alliance arrangements. The success of these partnering activities depends on the satisfactory performance by MACA's partners. The failure of partners to meet performance obligations could impose additional financial and performance obligations that could cause significant impact on MACA's reputation and financial results. MACA completes due diligence on potential partners prior to forming any business relationship and regularly monitors these relationships.

### Currency Fluctuation

As a Company with international operations, MACA is exposed to fluctuations in the value of the Australian dollar versus other currencies. Because MACA's consolidated financial results are reported in Australian dollars, if MACA generates sales or earnings or has assets and liabilities in other currencies, the translation into Australian dollars for financial reporting purposes can result in a significant increase or decrease in the amount of those sales or earnings and net assets. MACA uses cash backed deposits to mitigate US dollar currency risk. Currently the company has unhedged exposure to the Brazilian Real.

Other material risks that could affect MACA include

- a major operational failure or disruption at key facilities or to communication systems which interrupt MACA's business
- changing government regulation including tax, occupational health and safety, and changes in policy and spending
- operating in international markets, potentially exposing MACA to economic conditions, civil unrest, conflicts, and bribery and corrupt practices
- loss of reputation through poor project outcomes, unsafe work practices, unethical business practices, and not meeting the market's expectation of its financial performance
- interest rates in the ordinary course of business, and
- loss of key Board, management or operational personnel.

## OUTLOOK

MACA has a strong current level of work in hand at \$1.22 billion and a very strong balance sheet. Market conditions for the mining and civil service sectors remain challenging and are likely to remain so until there is a sustained improvement in commodity prices and consequential uplift in mining activity. At this stage MACA is expecting revenue for FY2016 to reduce from the current year but to still exceed \$450 million, of which in excess of 85% is contracted. MACA is selectively identifying development opportunities and is well positioned to deliver quality services to existing producers and emerging mining companies. The recent Letter of Intent received from Avanco, the preferred contractor agreement with Cassini and award of the Wodgina Project demonstrate that MACA has a positive future and is well placed to continue to add to its work in hand position.

With the Company's focus on continuous improvement and innovation, maintaining a strong balance sheet, a solid operational track record and existing client relationships we are very well positioned to continue to support our customers' objectives and take advantage of new opportunities as they arise, including future upturns in the commodities cycle. MACA has a strong leadership team at both Board and management level to pursue its strategy to target organic growth opportunities and potential acquisitions.

# REMUNERATION REPORT – AUDITED

Section	Title	Description
<b>Section 1</b>	Introduction	Outlines the scope of the Remuneration Report and the individuals disclosed.
<b>Section 2</b>	Remuneration Governance	Describes the role of the board, the Remuneration Committee and matters considered (including external advice) when making remuneration decisions.
<b>Section 3</b>	2015 Executive remuneration framework and improvements	Outlines the 2015 remuneration framework and changes to remuneration plans.
<b>Section 4</b>	Company performance and the link to remuneration	The outcomes of the key business metrics and hurdles that are used for measuring variable pay outcomes.
<b>Section 5</b>	Executive remuneration outcomes	Provides Chief Executive officer remuneration, Short Term Incentive (STI) and Long Term Incentive (LTI) Plan details and Executive remuneration outcomes for the year.
<b>Section 6</b>	Executive contracts	Appointments and notice periods for current and former Key Management Personnel.
<b>Section 7</b>	Non-executive Directors' fees	Provides detail regarding the fees paid to Non-executive Directors.

## 1 INTRODUCTION

This remuneration Report forms part of the Directors' Report for 2015 and outlines the remuneration strategy and arrangements for the Company's Directors and Executives (together "Key Management Personnel" or "KMP") in accordance with section 300A of the Corporations Act.

### 1.1 Key Management Personnel

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 Directors' 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:

Person	Position	Period in position during the year
<b>Directors - Non-executive</b>		
Andrew Edwards	Non-executive Chairman	Full year
Linton Kirk	Non-executive Director	Full Year
Robert Ryan	Non-executive Director	Appointed 18 <sup>th</sup> August 2015
<b>Directors - Executive</b>		
Chris Tuckwell	Chief Executive Officer and Managing Director	Since 4 <sup>th</sup> August 2014
Geoff Baker	Operations Director	Full year
<b>Executives</b>		
Tim Gooch	General Manager – Mining	Full year
Mitch Wallace	General Manager - Brazil Operations	Full year
Maurice Dessauvague	General Manager – Civil	Full year
Jeremy Connor	General Manager - Business Development and Strategy	Full year
Peter Gilford	Chief Financial Officer and Company Secretary	CFO - since 23 <sup>rd</sup> July 2014 Company Secretary - Full year
<b>Former KMP</b>		
Ross Williams	Chief Financial Officer and Executive Director Non-executive Director	Resigned 23 <sup>rd</sup> July 2014 Resigned 23 <sup>rd</sup> February 2015
Joseph Sweet	Non-executive Director	Resigned 23 <sup>rd</sup> July 2014

## 2 REMUNERATION GOVERNANCE

The Board oversees the remuneration arrangements of the Company.

In performing this function the Remuneration Committee reviews the remuneration packages of all Directors, the Chief Executive Officer and other Executives (collectively the KMP).

The Committee makes recommendations to the Board on an annual basis with benchmarking against comparable industry packages and adjusting to recognise the specific performance of both the company and the individual.

The Remuneration Committee may also engage an external remuneration consultant to review the levels of senior executive and non-executive remuneration. No external remuneration consultant was engaged over the past financial year given the decision to reduce executive salaries with effect from 1 June 2015 in recognition of current market conditions.

## 3 2015 EXECUTIVE REMUNERATION FRAMEWORK

Remuneration practices are continuously developed in line with the Company's business demands, industry conditions and overall market trends. The primary goal is to link executive remuneration with the achievement of MACA's business and strategic objectives with the aim to increase shareholder value over the short and longer term. The nature and amount of compensation for executive KMP is designed to retain and motivate individuals on a market competitive basis.

Remuneration Framework		
Total fixed remuneration (TFR)	Short-term incentive (STI)	Long-term incentive (LTI)
<ul style="list-style-type: none"> <li>TFR takes into account similar positions in peer companies, length of service, experience and contribution</li> <li>Peer companies are those with broadly similar revenue and in related industries</li> <li>TFR is reviewed annually</li> </ul>	<ul style="list-style-type: none"> <li>Financial metrics comprise some or all of                             <ul style="list-style-type: none"> <li>Net profit after tax - division</li> <li>Net profit after tax - company</li> <li>Earnings per share</li> <li>Return on equity</li> </ul> </li> <li>Non-financial metrics                             <ul style="list-style-type: none"> <li>Safety indicators - LTI and TRIFR</li> <li>Personal performance</li> </ul> </li> <li>Maximum STI is 15 – 25% of TFR depending on the individual</li> </ul>	<ul style="list-style-type: none"> <li>Growth in earnings per share measured over a 3 year period (25% component)</li> <li>Relative TSR against a specified group of comparable companies measured over a 3 year period (75% component)</li> <li>Number of performance rights issued up to 25% of fixed annual remuneration divided by the independently assessed value of a performance right</li> </ul>

## 4 COMPANY PERFORMANCE AND THE LINK TO REMUNERATION

Key Performance Indicators ('KPIs') for both short term and long-term Executive incentive schemes are linked to the Company's strategic and business objectives and as a result, pay outcomes are directly aligned with Company performance against these objectives.

The following Company performance measures are among those that may be included in incentive plans for relevant executives. KPIs may be adjusted for individually large or unusual items to derive an underlying performance measure outcome. The Committee believes these KPIs are aligned to Shareholder wealth and returns to investors.

	2015	2014	2013	2012	2011
Reported net profit/(loss) attributable to equity holders of the parent (\$m)	54.4	55.4	49.5	37.7	28.7
Reported return on equity (%)	21.7	22.5	23.3	23.7	37.5
Reported basic earnings per share (cents)	24.0	30.3	31.5	25.1	19.7
Long term injury frequency rate	0.0	0.0	2.0	0.0	0.8
Total recordable injury frequency rate	14.8	15.3	15.9		
<b>Shareholders' Wealth</b>					
Interim dividend declared (cents)	7.0	6.5	4.5	3.5	3.0
Final dividend declared (cents)	7.5	7.5	5.5	4.5	3.0
Special dividend declared (cents)	25	30	-	-	-
Share price at 30 June (cents)	77	185	177	225	245
Total shareholder return (TSR) (%) <sup>1</sup>	(37.0)	28.2	(17.3)	(5.5)	1.2
Rolling 3 year TSR %	(25.6)	(1.0)	95.5	-	-

<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.

## 5 EXECUTIVE REMUNERATION OUTCOMES

In light of market conditions the Group executives and senior management of the Company have reduced their base salaries by 5 to 10% dependent on position from the 1st June 2015. These levels will be held for the 6 months to December and then reviewed at that time. Prior to this executive remuneration increases were in line with CPI other than where there were changes in role or position.

### 5.1 Managing Director and CEO arrangements

Mr Tuckwell’s remuneration package as CEO was determined by benchmarking it against that paid to CEOs in similar organisations. The remuneration package comprises the following components:

- Total Fixed Remuneration (TFR) originally set at \$715,000 per annum inclusive of superannuation. This is subject to annual review but not before March 2016. This amount has been reduced by 10% as outlined above.
- An STI which includes the opportunity to earn an annual cash bonus of up to 25% of total fixed remuneration, subject to achieving performance hurdles. Mr Tuckwell’s STI plan has been aligned with other senior executives under similar plan rules with KPIs that align to profitable performance and safety. The CEO’s STI Plan comprises 60% for key financial KPI’s, 20% for safety KPI’s and 20% for personal KPI’s. The financial KPIs comprise Profit after Tax, Return on Equity and Earnings per Share growth. The safety KPIs are based on the Long Term Injury Frequency Rate and the Total Recordable Injury Frequency Rate.
- Mr Tuckwell was paid a sign on bonus of \$210,000.

There was an STI payable for Mr Tuckwell for 2015 as some KPIs were met – refer 5.4 below.

- An LTI under which Mr Tuckwell may receive share performance rights convertible into fully paid shares, subject to performance criteria being met. At the 2014 Annual General Meeting the Board sought and received approval for the grant of 183,280 Performance Rights pursuant to the Company’s Performance Rights Plan (PRP). Subject to the relevant performance hurdles being met, these may vest in June 2017.

### 5.2 Total Fixed Remuneration (TFR)

All Executives received TFR as outlined in page 28 of this report. TFR comprises base salary and superannuation.

Fixed pay has been reviewed and set against peer companies with whom MACA competes. MACA also benchmarks through industry surveys and reports and may seek external advice for KMP remuneration.

### 5.3 Short-Term Incentive Plan (STI Plan)

Key features of the STI Plan are outlined in the table below.

STI Plan																	
<b>Objective</b>	KPIs are set to encourage a profit and safety driven culture with the ultimate aim of driving Stakeholder returns. The STI payments are structured to recognize and motivate employees to align their performance with the Company’s goals.																
<b>Eligibility</b>	All executive key management personnel.																
<b>At risk payments</b>	<p><b>2014:</b> The STI is a component of ‘at risk’ pay provided to Executives and KMP. The amount of bonus actually earned will depend on performance against predetermined KPIs with payment commencing upon reaching those hurdles.</p> <table border="1"> <thead> <tr> <th></th> <th>% of TFR paid on Target Achievement</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>20%</td> </tr> <tr> <td>Executive Directors</td> <td>25%</td> </tr> <tr> <td>Other Executive KMP</td> <td>15%</td> </tr> </tbody> </table> <p><b>2015:</b> The component of ‘at risk’ pay for the CEO and Executive Directors was changed with the incoming CEO.</p> <table border="1"> <thead> <tr> <th></th> <th>% of TFR paid on Target Achievement</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>25%</td> </tr> <tr> <td>Executive Directors</td> <td>25%</td> </tr> <tr> <td>Other Executive KMP</td> <td>15%</td> </tr> </tbody> </table>		% of TFR paid on Target Achievement	CEO	20%	Executive Directors	25%	Other Executive KMP	15%		% of TFR paid on Target Achievement	CEO	25%	Executive Directors	25%	Other Executive KMP	15%
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STI Plan	
<b>Performance conditions</b>	<p><b>2014:</b> KPIs are set for the Group and business division (where relevant).</p> <p>Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders.</p> <p>KPIs for the CEO and Executive Directors include Earning per Share (EPS), Net Profit after Tax (NPAT), Return on Equity (ROE), Long Term Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment.</p> <p>KPIs for other Executive KMP include Net Profit after Tax (NPAT), business operating unit profit performance, Long Term Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment.</p> <hr/> <p><b>2015:</b> KPIs are set for the Group, and Business division (where relevant).</p> <p>Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders.</p> <p>KPIs for the CEO and Executive Directors include Earning per Share (EPS), Net Profit after Tax (NPAT), Return on Equity (ROE), Long Term Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment.</p> <p>KPIs for other Executive KMP include Net Profit after Tax (NPAT), business operating unit profit performance, Long Term Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment.</p>
<b>Setting of KPIs</b>	<p><b>2014:</b> Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive.</p> <hr/> <p><b>2015:</b> No changes.</p>
<b>Assessment of KPIs</b>	<p><b>2014:</b> Performance is measured quantitatively and progress against key targets measured at half year and full year.</p> <hr/> <p><b>2015:</b> No changes.</p>
<b>Trigger for payment</b>	<p><b>2014:</b> Any performance target met will trigger the calculation of total or part payment of the STI. The board may exercise its discretion in relation to the payment of STI's.</p> <hr/> <p><b>2015:</b> No changes.</p>
<b>Cessation of employment</b>	<p><b>2014:</b> STI forfeited if an Executive or KMP resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.</p> <hr/> <p><b>2015:</b> No changes.</p>

#### 5.4 STI Outcomes

The outcomes of the STI for Executives and KMP is outlined in the table below.

	Amount
<b>Chris Tuckwell</b> Managing Director and Chief Executive Officer	121,608
<b>Geoff Baker</b> Operations Director	112,500
<b>Tim Gooch</b> General Manager - Mining	52,191
<b>Mitch Wallace</b> General Manager - Brazil Operations	71,321
<b>Maurice Dessauvague</b> General Manager - Civil	-
<b>Jeremy Connor</b> General Manager - Strategy and Business Development	52,312
<b>Peter Gilford</b> Chief Financial Officer and Company Secretary	42,187
<b>Former KMP</b>	
<b>Ross Williams</b> (ceased as Executive Director 23 <sup>rd</sup> July 2014) <sup>1</sup> (ceased as a Non-executive Director 23 <sup>rd</sup> February 2015) <sup>1</sup>	-

<sup>1</sup> Ross Williams was not employed for the full year and forfeited any right to an STI payment.

In light of current market conditions and the Company’s share price, the decision has been taken to suspend the STI plan for the 2016 financial year (subject to the Board’s discretion to reinstate this should market conditions change).

### 5.5 Long-Term Incentive Plan (LTI Plan)

Key features of the LTI Plan are outlined in the table below.

LTI Plan																	
<b>Overview of the LTI Plan</b>	The Plan offers Executives and KMP performance rights with the opportunity to receive fully paid ordinary shares in MACA Limited for no consideration, subject to specified time restrictions, continued employment and performance conditions being met. Each performance right will entitle participants to receive one fully paid ordinary share at the time of vesting.																
<b>Objective</b>	The Plan is designed to assist with Executive and KMP retention and to incentivise employees to maximise returns and earnings for Shareholders.																
<b>Eligibility</b>	Executive KMP as determined by the Board.																
<b>At risk payments</b>	<p><b>2014:</b> The LTI is a component of ‘at risk’ pay provided to Executives and KMP. The number of performance rights issued will depend on performance against predetermined KPIs with vesting occurring upon reaching those hurdles.</p> <p>The number of performance rights that vest is linked primarily to Company performance.</p> <table border="1"> <thead> <tr> <th></th> <th>% of TFR applied in LTI</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>20%</td> </tr> <tr> <td>Executive Directors</td> <td>33%</td> </tr> <tr> <td>Other Executive KMP</td> <td>15%</td> </tr> </tbody> </table> <p><b>2015:</b> The component of ‘at risk’ pay for the CEO, Executive Directors and KMP was changed with the incoming CEO.</p> <table border="1"> <thead> <tr> <th></th> <th>% of TFR applied in LTI</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>25%</td> </tr> <tr> <td>Executive Directors</td> <td>25%</td> </tr> <tr> <td>Other Executive KMP</td> <td>20%</td> </tr> </tbody> </table>		% of TFR applied in LTI	CEO	20%	Executive Directors	33%	Other Executive KMP	15%		% of TFR applied in LTI	CEO	25%	Executive Directors	25%	Other Executive KMP	20%
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<b>Performance conditions</b>	<p><b>2014:</b> KPIs are set for the Group (where relevant).</p> <p>Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders.</p> <p>KPIs for the CEO, Executive Directors and other Executive KMP comprise relative Total Shareholder Return (TSR) and Earning per Share (EPS) measured over a 3 year period.</p> <p>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 from 3<sup>rd</sup> November 2010 and a minimum share price for the Company’s shares at the time of vesting (November 2013). This was satisfied and paid during the 2014 year.</p> <p><b>2015:</b> KPIs are set for the Group (where relevant). Some LTI Target Achievements have been changed following the change in CEO and Executive Directors.</p> <p>Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders.</p> <p>KPIs for the CEO, Executive Directors and other Executive KMP comprise relative Total Shareholder Return (TSR) and Earning per Share (EPS) measured over a 3 year period.</p>																

LTI Plan	
<b>TSR Comparator Group</b>	<p><b>2014:</b> Comprises companies similar to MACA, being Ausenco (AAX), Ausdrill (ASL), Brierty (BYL), Decmil (DCG), Downer (DOW), McMahon (MAH), NRW (NWH) and Sedgeman (SDM).</p> <p><b>2015:</b> No changes.</p>
<b>Assessment of KPIs</b>	<p><b>2014:</b> Performance is measured quantitatively and progress against key targets reported at full year.</p> <p><b>2015:</b> No changes.</p>
<b>Trigger for vesting</b>	<p><b>2014:</b> Any performance target met will trigger the calculation of total or part payment of the LTI. The board may exercise in its discretion in introducing further LTI participants.</p> <p>Specifically, if the Company's TSR over the Performance Period is:</p> <ul style="list-style-type: none"> <li>(i) below the 50th percentile of the TSR achieved by the Comparator Group of companies, then nil Performance Rights will vest;</li> <li>(ii) at the 50th percentile of the TSR achieved by the Comparator Group of companies, then 50% of the Performance Rights will vest;</li> <li>(iii) between the 50th and 75th 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</li> <li>(iv) at or above the 75th percentile of the TSR achieved by the Comparator Group of companies, 100% of the Performance Rights will vest.</li> </ul> <p>If the compound growth in the Company's EPS over the Performance Period is:</p> <ul style="list-style-type: none"> <li>(i) below 6% per annum – then nil Performance Rights will vest;</li> <li>(ii) equal to 6% per annum – then 50% of Performance Rights will vest;</li> <li>(iii) between 6% and 12.5% annum – then 50% - 100% of the Performance Rights will vest pro-rata; and</li> <li>(iv) equal to 12.5% or higher then 100% of Performance Rights will vest;</li> </ul> <p>The board has discretion not to pay any LTI on the TSR component if the TSR is negative.</p> <p><b>2015:</b> No changes.</p>
<b>Cessation of employment</b>	<p><b>2014:</b> LTI forfeited if an Executive resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.</p> <p><b>2015:</b> No changes.</p>

The Company intends to change the LTI performance hurdle going forward to be assessed 100% against TSR using a benchmark index namely the S&P/ASX Small Ordinaries accumulation Index (XSOAI).

### 5.6 Unvested entitlements

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.

### 5.7 KMP Options

No options were granted during the period and no options were vested or were exercised during the period. At 30 June 2015 no options were held by KMP.

At 30 June 2015, MACA had 924,881 performance rights outstanding from all grants under the Groups Performance Rights Plan of which 261,830 had been issued as at the balance date.

## 5.8 KMP performance rights

As at 30 June 2015, MACA had 261,830 performance rights issued and outstanding. These rights were granted during the 2014 financial year to KMP under the Groups Performance Rights Plan and, subject to the achievement of designated performance hurdles, will vest in June 2016.

During the 2015 financial year 663,501 performance rights were granted under the Group's Performance Rights Plan as set out in the table below but were not issued until after the end of the financial year. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2017.

No performance rights vested during this period.

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

30 June 2015	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and un-exercisable
<b>Chris Tuckwell</b> Managing Director and Chief Executive Officer (commenced 4 <sup>th</sup> August 2014)	-	183,280	-	-	183,280	-	-	-
<b>Geoff Baker</b> Operations Director	-	-	-	-	-	-	-	-
<b>Tim Gooch</b> General Manager - Mining	91,919	103,845	-	-	195,764	-	-	-
<b>Mitch Wallace</b> General Manager - Brazil Operations	72,421	97,381	-	-	169,802	-	-	-
<b>Maurice Dessauvage</b> General Manager - Civil	97,490	106,738	-	-	204,228	-	-	-
<b>Jeremy Connor</b> General Manager - Business Development	-	95,357	-	-	95,357	-	-	-
<b>Peter Gilford</b> Chief Financial Officer	-	76,900	-	-	76,900	-	-	-
<b>Hugh (Andrew) Edwards</b> Chairman	-	-	-	-	-	-	-	-
<b>Linton Kirk</b> Non-executive Director	-	-	-	-	-	-	-	-
<b>Former KMP</b>								
<b>Ross Williams</b> Non-executive Director (ceased as Executive Director 23 <sup>rd</sup> July 2014)  (ceased as Non-executive Director 23 <sup>rd</sup> February 2015)	-	-	-	-	-	-	-	-
<b>Joseph Sweet</b> Non-executive Director (ceased as Non-executive Director 23 <sup>rd</sup> July 2014)	-	-	-	-	-	-	-	-
	261,830	663,501	-	-	925,331	-	-	-

## 5.9 KMP shareholdings

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

30 June 2015	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>Chris Tuckwell</b> Managing Director and Chief Executive Officer (commenced 4 <sup>th</sup> August 2014)	500,000	-	112,500	-	-	612,500
<b>Geoff Baker</b> Operations Director	15,000,000	-	-	-	-	15,000,000
<b>Tim Gooch</b> General Manager - Mining	100,000	-	-	-	(100,000)	-
<b>Mitch Wallace</b> General Manager - Brazil Operations	100,000	-	-	-	-	100,000
<b>Maurice Dessauvagie</b> General Manager - Civil	-	-	20,000	-	-	20,000
<b>Jeremy Connor</b> General Manager - Business Development	37,250	-	-	-	-	37,250
<b>Peter Gilford</b> Chief Financial Officer	2,500	-	25,000	-	-	27,500
<b>Hugh (Andrew) Edwards</b> Chairman	20,000	-	-	-	-	20,000
<b>Linton Kirk</b> Non-executive Director	-	-	50,000	-	-	50,000
Former KMP						
<b>Ross Williams</b> Non-executive Director (ceased as Executive Director 23 <sup>rd</sup> July 2014) (ceased as Non-executive Director 23 <sup>rd</sup> February 2015)	2,500,000	-	-	-	(2,500,000)	-
<b>Joseph Sweet</b> Non-executive Director (ceased as Non-executive Director 23 <sup>rd</sup> July 2014)	100,000	-	-	-	(100,000)	-
	18,359,750	-	207,500	-	(2,700,000)	15,867,250

## 5.10 KMP remuneration

### 5.10.1 Employment benefits and payments for the year ended 30 June 2015

The following table sets out the benefits and payment details, in respect to the financial year, and the components of remuneration for members of key management personnel of the consolidated Group, and to the extent different, among the five Group executives and five company executives receiving the highest remuneration.

**REMUNERATION REPORT – AUDITED**

	Year	Short-term benefits					Post-employment benefits		Long-term benefits		Equity-settled share-based payments		Cash settled based payments	Termination benefits	Total
		Salary, fees and leave	Committee fees	Cash bonus/STI	Non-monetary	Other	Superannuation	Other	Incentive plans	LSL	Share / Units	Options / Rights			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors</b>															
Chris Tuckwell <sup>1</sup> Managing Director & Chief Executive Officer	2015	610,385	-	331,608	-	28,603	23,077	-	-	-	-	21,093	-	-	1,014,765
	2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Geoff Baker Operations Director	2015	600,000	-	112,500	-	-	-	-	-	-	-	-	-	-	712,500
	2014	573,000	-	144,138	-	-	-	-	250,000	-	-	-	-	-	967,138
Ross Williams <sup>2</sup> Finance Director	2015	40,000	-	-	-	-	-	-	-	-	-	-	-	-	40,000
	2014	347,000	-	-	-	-	-	-	-	-	-	-	-	-	347,000
<b>Total compensation for Executive Directors</b>	<b>2015</b>	<b>1,250,384</b>	<b>-</b>	<b>444,108</b>	<b>-</b>	<b>28,603</b>	<b>23,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,093</b>	<b>-</b>	<b>-</b>	<b>1,767,265</b>
	<b>2014</b>	<b>920,000</b>	<b>-</b>	<b>144,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,314,138</b>
<b>Non-executive Directors</b>															
Andrew Edwards Chairman	2015	140,275	-	-	-	-	14,725	-	-	-	-	-	-	-	155,000
	2014	132,723	-	-	-	-	12,749	-	-	-	-	-	-	-	145,472
Linton Kirk	2015	201,429	8,325	-	-	-	8,550	-	-	-	-	-	-	-	218,304
	2014	77,803	-	-	-	-	7,197	-	-	-	-	-	-	-	85,000
Ross Williams <sup>2</sup>	2015	45,000	-	-	-	-	-	-	-	-	-	-	-	-	45,000
	2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joseph Sweet <sup>3</sup>	2015	5,255	-	-	-	-	-	-	-	-	-	-	-	-	5,255
	2014	85,000	-	-	-	-	-	-	-	-	-	-	-	-	85,000
<b>Total compensation for Non-executive Directors</b>	<b>2015</b>	<b>391,959</b>	<b>8,325</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423,560</b>
	<b>2014</b>	<b>295,526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,472</b>
<b>Executives (KMP)</b>															
Tim Gooch General Manager – Mining	2015	433,698	-	52,191	-	12,174	43,420	-	-	-	-	66,526	-	-	608,009
	2014	488,000	-	48,800	-	23,899	39,897	-	-	-	-	69,829	-	-	670,425
Mitch Wallace General Manager – Brazil Operations	2015	437,028	-	71,321	-	21,101	30,908	-	-	-	-	54,206	-	-	614,564
	2014	390,000	-	39,000	-	28,163	32,137	-	-	-	-	56,941	-	-	546,241

**REMUNERATION REPORT – AUDITED**

	Year	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	Committee fees	Cash bonus/ STI	Non-monetary	Other	Superannuation	Other	Incentive plans	LSL	Share / Units	Options / Rights			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Maurice Dessauvague General Manager – Civil	2015	474,719	-	-	-	-	43,460	-	-	-	-	70,167	-	-	588,345
	2014	522,061	-	78,309	-	-	42,085	-	-	-	-	64,438	-	-	706,893
Peter Gilford Chief Financial Officer / Company Secretary	2015	317,040	-	42,187	-	12,590	31,611	-	-	-	-	8,850	-	-	412,279
	2014	275,000	-	-	-	-	23,077	-	-	-	-	-	-	-	298,077
Jeremy Connor General Manager - Business Development	2015	452,393	-	52,312	-	-	46,029	-	-	-	-	10,995	-	-	561,729
	2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total compensation for Executives</b>	<b>2015</b>	<b>2,114,878</b>	<b>-</b>	<b>218,011</b>	<b>-</b>	<b>45,866</b>	<b>195,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,744</b>	<b>-</b>	<b>-</b>	<b>2,784,926</b>
	<b>2014</b>	<b>1,675,061</b>	<b>-</b>	<b>166,109</b>	<b>-</b>	<b>52,062</b>	<b>137,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191,208</b>	<b>-</b>	<b>-</b>	<b>2,221,636</b>
<b>Former KMP</b>															
Doug Grewar <sup>4</sup> Managing Director & Chief Executive Officer	2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2014	571,839	-	175,000	-	30,735	21,154	-	121,188	-	-	-	-	337,500	1,257,416
Dave Edwards <sup>5</sup> General Manager - Business Development	2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2014	400,638	-	-	-	14,350	-	-	-	-	-	22,682	-	-	437,670
<b>Total compensation for former KMP</b>	<b>2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>2014</b>	<b>972,477</b>	<b>-</b>	<b>175,000</b>	<b>-</b>	<b>45,085</b>	<b>21,154</b>	<b>-</b>	<b>121,188</b>	<b>-</b>	<b>-</b>	<b>22,682</b>	<b>-</b>	<b>337,500</b>	<b>1,695,086</b>
<b>Total compensation for KMP</b>	<b>2015</b>	<b>3,757,221</b>	<b>8,325</b>	<b>662,119</b>	<b>-</b>	<b>74,469</b>	<b>241,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231,837</b>	<b>-</b>	<b>-</b>	<b>4,975,751</b>
	<b>2014</b>	<b>3,863,064</b>	<b>-</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>

1 Chris Tuckwell - commenced 4<sup>th</sup> August 2014.

2 Ross Williams - resigned as Finance Director on 23<sup>rd</sup> July 2014, commenced as a Non-executive Director on 23<sup>rd</sup> July 2014 and resigned as a Non-executive Director on 23<sup>rd</sup> February 2015.

3 Joseph Sweet - resigned as a Non-executive Director on 23<sup>rd</sup> July 2014.

4 Doug Grewar - resigned as a Managing Director on 2<sup>nd</sup> May 2014.

5 Dave Edwards - resigned as Business Development Manager on 23<sup>rd</sup> December 2013.

6 Linton Kirk was engaged on a contract basis through his business Kirk Mining Consultants to perform consulting work on the Tucano project.

The engagement was charged at hourly rates and is included in the amount of salary and fees above.

**5.10.2 Employment details of members of key management personnel and other executives**

The following table provides 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 and five 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.

## REMUNERATION REPORT – AUDITED

	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>Executive Directors</b>						
Chris Tuckwell <sup>1</sup> Managing Director & Chief Executive Officer	2015	13.2	-	2.1	84.7	100.0
	2014	-	-	-	-	-
Geoff Baker Operations Director	2015	15.8	-	-	84.2	100.0
	2014	40.8	-	-	59.2	100.0
Ross Williams <sup>2</sup> Finance Director	2015	-	-	-	100.0	100.0
	2014	-	-	-	100.0	100.0
<b>Non-executive Directors</b>						
Andrew Edwards Chairman	2015	-	-	-	100.0	100.0
	2014	-	-	-	100.0	100.0
Linton Kirk	2015	-	-	-	100.0	100.0
	2014	-	-	-	100.0	100.0
Ross Williams <sup>2</sup>	2015	-	-	-	100.0	100.0
	2014	-	-	-	100.0	100.0
Joseph Sweet <sup>3</sup>	2015	-	-	-	100.0	100.0
	2014	-	-	-	100.0	100.0
<b>Executives (KMP)</b>						
Tim Gooch General Manager – Mining	2015	8.6	-	10.9	80.5	100.0
	2014	7.3	-	10.4	82.3	100.0
Mitch Wallace General Manager - Brazil Operations	2015	11.6	-	8.8	79.6	100.0
	2014	7.1	-	10.4	82.5	100.0
Maurice Dessauvagie General Manager – Civil	2015	-	-	11.9	88.1	100.0
	2014	11.1	-	9.1	79.8	100.0
Peter Gilford Chief Financial Officer / Company Secretary	2015	10.2	-	2.1	87.6	100.0
	2014	-	-	-	100.0	100.0
Jeremy Connor General Manager - Business Development	2015	9.3	-	2.0	88.7	100.0
	2014	-	-	-	100.0	100.0
<b>Former KMP</b>						
Doug Grewar <sup>4</sup> Managing Director & Chief Executive Officer	2015	-	-	-	-	-
	2014	13.92	-	-	86.08	100.0
Dave Edwards <sup>5</sup> General Manager - Business Development	2015	-	-	-	-	-
	2014	-	-	5.18	94.82	100.0

1 Chris Tuckwell - commenced 4<sup>th</sup> August 2014.

2 Ross Williams - resigned as Finance Director on 23<sup>rd</sup> July 2014, commenced as a Non-executive Director on 23<sup>rd</sup> July 2014 and resigned as a Non-executive Director on 23<sup>rd</sup> February 2015.

3 Joseph Sweet - resigned as a Non-executive Director on 23<sup>rd</sup> July 2014.

4 Doug Grewar - resigned as a Managing Director on 2<sup>nd</sup> May 2014.

5 Dave Edwards - ceased as KMP on 23<sup>rd</sup> December 2013.

## 6 EXECUTIVE CONTRACTS

Executive contracts of 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.



Executive	Appointment to KMP	Notice period for contract cessation
<b>Chris Tuckwell</b> Managing Director and Chief Executive Officer	4 <sup>th</sup> August 2014 The contract is ongoing and has no fixed term.	The contract can be terminated by either party with 3 months' notice or payment in lieu.
<b>Geoff Baker</b> Operations Director	3 <sup>rd</sup> November 2010 The contract is ongoing and has no fixed term.	The contract can be terminated by either party with 3 months' notice or payment in lieu.
<b>Tim Gooch</b> General Manager - Mining	20 <sup>th</sup> June 2011 The contract is ongoing and has no fixed term.	The contract can be terminated by either party with 3 months' notice or payment in lieu.
<b>Mitch Wallace</b> General Manager - Brazil Operations	3 <sup>rd</sup> November 2010 The contract is ongoing and has no fixed term.	The contract can be terminated by either party with 1 months' notice or payment in lieu.
<b>Maurice Dessauvagie</b> General Manager - Civil	10 <sup>th</sup> June 2013 The contract is ongoing and has no fixed term.	The contract can be terminated by either party with 3 months' notice or payment in lieu.
<b>Jeremy Connor</b> General Manager - Strategy and Business Development	23 <sup>rd</sup> June 2014 The contract is ongoing and has no fixed term.	The contract can be terminated by either party with 1 months' notice or payment in lieu.
<b>Peter Gilford</b> Chief Financial Officer and Company Secretary	23 <sup>rd</sup> July 2014 The contract is ongoing and has no fixed term.	The contract can be terminated by either party with 3 months' notice or payment in lieu.
<b>Former KMP</b>		
<b>Ross Williams</b> (ceased as Executive Director) <sup>1</sup>	3 <sup>rd</sup> November 2010 The contract has been terminated.	-

1 Ross Williams, Chief Financial Officer resigned his executive employment with MACA Limited effective 23<sup>rd</sup> July 2014 and was paid all his leave and notice requirements in accordance with his contract.

## 7 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 and are not linked to the financial performance of the Company. Non-executive Directors 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.

Non-executive Directors fees increased to their current levels with effect from 1 July 2014 following a market based review of these fees at that time. No fee increases have been approved for the coming financial year.

Non-executive Directors	\$ / Chairman	Member
<b>Andrew Edwards</b>	\$155,000 Board	Audit Committee Risk Committee Remuneration Committee
<b>Linton Kirk</b>	\$90,000 Audit Committee Risk Committee	Remuneration Committee
<b>Robert Ryan<sup>1</sup></b>	\$90,000 Remuneration Committee	Audit Committee Risk Committee
<b>Former Directors</b>		
<b>Joseph Sweet<sup>2</sup></b>	\$85,000 Remuneration Committee	Audit Committee Risk Committee
<b>Ross Williams<sup>3</sup></b>	\$90,000	Audit Committee Risk Committee Remuneration Committee

1 Robert Ryan, Non-executive Director was appointed to his Board position with MACA Limited effective 18<sup>th</sup> August 2015.

2 Joseph Sweet, Non-executive Director resigned from his Board position with MACA Limited effective 23<sup>rd</sup> July 2014 and was paid all his entitlements in accordance with his contract.

3 Ross Williams, Non-executive Director resigned from his Board position with MACA Limited effective 23<sup>rd</sup> February 2015 and was paid all his entitlements in accordance with his contract.

## 8 OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONS AND/OR RELATED PARTIES

Key management person and/or related party	Transaction	2015 \$	2014 \$
Partnership comprising entities controlled by Mr G.Baker, Mr R.Williams, Mr J.Moore, Mr D. Edwards & Mr F.Maher.	Expense - Rent on Ewing St and Division St Business premises.	1,119,000	702,000
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
Kirk Mining Consultants – a company controlled by current director Mr L. Kirk.	Expense - Mining consulting fees	119,754	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.	1,641,792	3,580,825
Gateway Equipment Parts & Services Pty Ltd – a company controlled by current director Mr G.Baker and former directors Mr R.Williams, Mr D.Edwards, Mr F.Maher and Mr J.Moore.	Revenue – sale of equipment	205,130	148,500
<b>Amounts payable at year end arising from the above transactions (Receivables Nil)</b>		<b>2015 \$</b>	<b>2014 \$</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 director Mr G.Baker and former directors Mr R.Williams, Mr D.Edwards, Mr F.Maher and Mr J.Moore.		200,737	573,867
Partnership comprising entities controlled by Mr G.Baker, Mr R.Williams, Mr J.Moore, Mr D.Edwards & Mr F.Maher.		138,967	-

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

30<sup>th</sup> day of September 2015  
Perth

# CORPORATE GOVERNANCE STATEMENT – CHECKLIST

The board of MACA Limited is committed to ensuring that the Company's obligations and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. MACA is committed to the development of a culture that delivers our Promise – we care, we are flexible and we deliver, and the Core Values of the company – people first, exceed expectations, community leadership and innovation and continuous improvement. We believe that adopting and operating in accordance with the corporate governance guidelines enhances the delivery of the above expectations.

This checklist reports on MACA's key governance principles and practices which are reviewed and revised as appropriate to reflect changes in law and developments in corporate governance. A complete Corporate Governance Statement and all Charters, Policies, Procedures, Disclosures, Definitions, Codes and Strategies are available for viewing on the Company's website under the Corporate Governance tab.

As required by the Australian Securities Exchange Limited ("ASX") Listing Rules, the Corporate Governance Statement contained on the Company website and in reference to this checklist reports on:

- The extent to which the Company has followed the Corporate Governance recommendations contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition); and
- The reasons for any departures from the Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition), in compliance with the "if not, why not" regime.

## OVERALL APPROACH TO CORPORATE GOVERNANCE

The Board as a whole reviews and makes changes in line with recommendations made by individual board members and as a result of this focus, the Board is satisfied that the Company meets the Corporate Governance Council's Corporate Governance Principles and Recommendations, with departures as disclosed below. These departures during the year were a consequence of the resignation of an independent non-executive director on 23<sup>rd</sup> July 2014 and another non-executive director on 23<sup>rd</sup> February 2015 and have now been rectified with the appointment of a new independent non-executive director as at the 18<sup>th</sup> August 2015. A checklist cross-referencing the Corporate Governance Council's Corporate Governance Principles and Recommendations to the relevant sections of this Statement is shown below.

ASX Corporate Governance Council's Principles and Recommendations	CG statement reference	Compliance
Under 'Compliance' where an 'x' appears refer to the Corporate Governance statement (available on the Company website) for the appropriate reasoning for the departure from the Corporate governance Council's Corporate Governance Principles and Recommendations.		
<b>Principle 1 – Lay solid foundations for management and oversight</b>		
A listed entity should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	1.1 Board Charter (website)	✓
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	1.2 Board Charter (website)	✓
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	1.3	✓
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	1.4 Board Charter (website)	✓

ASX Corporate Governance Council's Principles and Recommendations	CG statement reference	Compliance
1.5 A listed entity should: <ul style="list-style-type: none"> <li>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(c) disclose as at the end of each reporting period the measureable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:               <ul style="list-style-type: none"> <li>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organization (including how the entity has defined "senior executive" for these purposes); or</li> <li>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act</li> </ul> </li> </ul>	1.5 Disclosure - Diversity Procedure (website) Human Resources and Cultural Diversity Policy (website)	✓
1.6 A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	1.6 Disclosure - Performance Evaluation (website)	✓
1.7 A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	1.7 Disclosure - Performance Evaluation (website)	✓
<b>Principle 2 – Lay solid foundations for management and oversight</b>		
A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.		
2.1 The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a nomination committee which:               <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</li> </ul>	2.1 Board Charter (website) Nomination Committee Charter (website)	✘ ✓ ✓ ✓
2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	2.2	✓

## CORPORATE GOVERNANCE STATEMENT – CHECKLIST

ASX Corporate Governance Council's Principles and Recommendations	CG statement reference	Compliance
2.3 A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the names of the directors considered by the board to be independent directors; and</li> <li>(b) if a director has an interest, position, association or relationship of the type described in the recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position association or relationship in question and an explanation of why the board is of that opinion; and</li> <li>(c) the length of service of each director.</li> </ul>	2.3 Definition of Independence (website)	✓
2.4 A majority of the board of a listed entity should be independent directors.	2.4	✗
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	2.5	✓
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	2.6 Board Charter (website) Nomination Committee Charter (website)	✓
<b>Principle 3 – Act ethically and responsibly</b>		
A listed entity should act ethically and responsibly.		
3.1 A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	3.1 Corporate Code of Conduct (website)	✓
<b>Principle 4 – Safe guard integrity in corporate reporting</b>		
A listed entity should have a formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.		
4.1 The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which:                             <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not chair of the board, and disclose:                                     <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have an audit committee, disclose that fact and the processes it employs to independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</li> </ul>	4.1 Audit Committee Charter (website)	✗  ✓ ✓ ✓ ✓
4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	4.2	✓

ASX Corporate Governance Council's Principles and Recommendations	CG statement reference	Compliance
4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer any questions from security holders relevant to the audit.	4.3	✓
<b>Principle 5 – Make timely and balanced disclosure</b>		
A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.		
5.1 A listed entity should : (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	5.1 Disclosure -Continuous Disclosure (website)	✓
<b>Principle 6 – Respect the rights of security holders</b>		
A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	6.1 Shareholder Communication Strategy (website)	✓
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	6.2 Investor Centre (website)	✓
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	6.3 Shareholder Communication Strategy (website)	✓
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	6.4 Shareholder Communication Strategy (website)	✓
<b>Principle 7 – Recognise and manage risk</b>		
A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.		
7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it for overseeing the entity's risk management framework.	7.1 Risk Committee Charter (website)	x ✓ ✓ ✓ ✓

ASX Corporate Governance Council's Principles and Recommendations	CG statement reference	Compliance
7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	7.2 Disclosure - Risk Management (website)	✓
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	7.3	✓
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	7.4	✓
<b>Principle 8 – Remunerate fairly and responsibly</b>		
A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.		
8.1 The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	8.1 Remuneration Committee Charter (website) Remuneration Report	x ✓ ✓ ✓ ✓
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	8.2 Remuneration Report	✓
8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	8.3	✓

# AUDITOR'S INDEPENDENCE DECLARATION

MOORE STEPHENS

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## Auditors Independence Declaration

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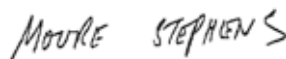
### AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF MACA LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 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 30<sup>th</sup> day of September 2015



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Revenue</b>	2	601,400	595,387
Other income	2	27,614	18,645
Direct costs		(523,516)	(512,151)
Finance costs		(4,427)	(5,884)
Share based payment expense		(232)	(285)
Impairment of plant and equipment		(5,772)	-
Impairment of Debtors		(1,821)	-
Foreign exchange losses		(753)	-
Other expenses from ordinary activities		(14,844)	(16,122)
Profit before income tax	3	77,649	79,590
Income tax expense	4	(23,236)	(24,142)
<b>Profit for the year</b>		54,413	55,448
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations		(2,804)	-
Fair value gains/(loss) on available-for-sale financial assets, net of tax		(1,663)	1,400
<b>Total comprehensive income for the year</b>		49,946	56,848
Profit / (loss) attributable to:			
- Non-controlling interest		-	-
- Members of the parent entity		54,413	55,448
		54,413	55,448
Total comprehensive income attributable to:			
- Non-controlling interest		-	-
- Members of the parent entity		49,946	56,848
		49,946	56,848
Earnings per share:			
- Basic earnings per share (cents)	8	24.00	30.33
- Diluted earnings per share (cents)	8	23.98	30.02

The accompanying notes form part of these financial accounts

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	118,533	104,540
Trade and other receivables	10	80,242	138,296
Loans to other companies	13	6,256	-
Inventory		7,789	3,075
Work in progress		4,818	1,217
Financial Assets	14	-	4,500
Other assets	11	5,129	2,989
<b>TOTAL CURRENT ASSETS</b>		<b>222,767</b>	<b>254,617</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	12	158,564	172,258
Loan to other companies	13	9,878	-
Financial Assets	14	1,898	-
Deferred tax assets	15	6,088	5,335
<b>TOTAL NON CURRENT ASSETS</b>		<b>176,428</b>	<b>177,593</b>
<b>TOTAL ASSETS</b>		<b>399,195</b>	<b>432,210</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	54,736	78,947
Financial liabilities	17	41,032	39,846
Current tax liabilities	15	2,885	7,476
Short-term provisions	18	9,282	8,449
<b>TOTAL CURRENT LIABILITIES</b>		<b>107,935</b>	<b>134,718</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	15	94	748
Financial liabilities	17	35,198	58,024
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>35,292</b>	<b>58,772</b>
<b>TOTAL LIABILITIES</b>		<b>143,227</b>	<b>193,490</b>
<b>NET ASSETS</b>		<b>255,968</b>	<b>238,720</b>
<b>EQUITY</b>			
Issued capital	19	209,016	152,290
Reserves		(6,457)	(2,222)
Retained profits		53,409	88,652
Parent Interest		255,968	238,720
Non-controlling Interest		-	-
<b>TOTAL EQUITY</b>		<b>255,968</b>	<b>238,720</b>

The accompanying notes form part of these financial accounts

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Issued Capital \$'000	Retained Profits \$'000	Financial Assets Reserve \$'000	General Reserve \$'000	Option Reserve \$'000	FX Reserve \$'000	Total \$'000
BALANCE AT 1 JULY 2013	89,298	114,965	60	(3,277)	1,010	-	202,056
Profit for the period	-	55,448	-	-	-	-	55,448
SUB-TOTAL	89,298	170,413	60	(3,277)	1,010	-	257,504
Other comprehensive income:							
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>
BALANCE AT 1 JULY 2014	152,290	88,652	1,460	(3,777)	95	-	238,720
Profit for the period	-	54,413	-	-	-	-	54,413
SUB-TOTAL	152,290	143,066	1,460	(3,777)	95	-	293,134
Other comprehensive income:						(2,804)	(2,804)
Revaluation of Investment	-	-	(1,663)	-	-	-	(1,663)
SUB-TOTAL	152,290	143,066	(203)	(3,777)	95	(2,804)	288,667
Shares issued	58,500	-	-	-	-	-	58,500
Capital raising costs	(1,774)	-	-	-	-	-	(1,774)
Options issued net of options exercised	-	-	-	-	232	-	232
Transactions with non-controlling interests	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-
Dividends paid	-	(89,657)	-	-	-	-	(89,657)
<b>BALANCE AT 30 JUNE 2015</b>	<b>209,016</b>	<b>53,409</b>	<b>(203)</b>	<b>(3,777)</b>	<b>327</b>	<b>(2,804)</b>	<b>255,968</b>

The accompanying notes form part of these financial accounts

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		674,424	525,918
Payments to suppliers and employees		(508,386)	(451,687)
Dividends received		-	369
Interest received		2,956	3,375
Interest paid		(4,428)	(5,884)
Income tax paid		(28,105)	(25,248)
<b>Net Cash Provided By Operating Activities</b>	23(b)	136,461	46,843
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		4,438	(2,000)
Proceeds from sale of property, plant and equipment		289	1,160
Net Loans to other companies		(16,134)	-
Purchase of property, plant and equipment		(29,707)	(16,777)
Payment for investments		(2,000)	-
<b>Net Cash Used In Investing Activities</b>		(43,114)	(17,617)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net Proceeds from Share Issue		56,667	61,792
Net movement in borrowings		(46,364)	(27,686)
Dividends paid by the parent		(89,657)	(81,761)
<b>Net Cash provided by / (used in) Financing Activities</b>		(79,354)	(47,655)
Net increase/(decrease) in cash held		13,993	(18,429)
Cash and cash equivalents at the beginning of the year		104,540	122,969
<b>Cash and cash equivalents at the end of financial year</b>	23(a)	118,533	104,540

The accompanying notes form part of these financial accounts

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

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 30<sup>th</sup> September 2015 by the directors of the company.

## NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a. 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. These financial statements also comply with International Financial Reporting standards as issued by the International Accounting Standards Board (IASB).

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.

### b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MACA Limited as at 30 June 2015 and the results of all subsidiaries for the year then ended. MACA Limited and its subsidiaries together are referred to in these financial statements as the ‘consolidated entity’.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

### c. **Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

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 (ie. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

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

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

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

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

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.

### d. 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.

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.

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

### e. Inventories

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

### 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 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.

#### Plant and equipment

Plant and equipment are measured on the cost basis.

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

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

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

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Leasehold improvements	2.5%
Plant and equipment	2.5% – 66.67%
Low value pool	18.75% – 37.5%
Motor vehicles	18.75% – 50%



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

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 that is transferred to entities in the consolidated group, are classified as finance leases.

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

Leased assets are depreciated on a diminishing or 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.

### 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.

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* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. 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
- iv. 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.

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

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.

*a. 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.

*b. 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.)

*c. 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.

*d. 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.)

*e. Financial liabilities*

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

### **Fair value**

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

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

### Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

### De-recognition

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

### 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 expensed to the statement of profit or loss and other comprehensive income.

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.

### j. Foreign Currency Transactions and Balances

#### 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.

#### Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

#### Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

### k. **Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. 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.

### 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)

## NOTE 1. STATEMENT 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 cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### **r. 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.

### **s. 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.

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.

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

### 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.

#### **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.

The value in use calculations with respect to property, plant and equipment require an estimation of the future cash flows expected to arise from each cash generating unit and a suitable discount rate to apply to these cash flows to calculate net present value. The Directors have determined that there is an adjustment required to the carrying value of property, plant and equipment as at 30 June 2015 and an impairment of \$5.8 million has been recognised in the current reporting period.

##### *ii. Taxation*

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on 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 is based on historical experience and is 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 directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

### u. **New, revised or amending Accounting Standards and Interpretations adopted**

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

*AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*

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

The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

### *AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*

The Group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

### *AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)*

The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

#### **v. Rounding of Amounts**

The parent entity 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.

	2015 \$'000	2014 \$'000
<b>NOTE 2. REVENUE AND OTHER INCOME</b>		
Revenue from continuing operations		
<i>Contract Trading Revenue</i>	598,006	589,585
	598,006	589,585
<i>Other revenue</i>		
- Interest received	2,956	3,375
- Dividends received	-	369
- Other revenue	438	2,058
	3,394	5,802
Total Revenue	601,400	595,387
<b>Other Income:</b>		
- Profit / (Loss) on sale of plant and equipment	83	(1,738)
- Profit / (Loss) on sale of investment	2,132	-
- Rebates	25,399	20,383
Total Other Income	27,614	18,645
<b>NOTE 3. PROFIT FOR THE YEAR</b>		
<b>Expenses:</b>		
<i>Depreciation and amortisation</i>		
- Plant and equipment	57,861	50,744
- Motor vehicles	1,032	1,722
- Other	160	71
Total depreciation and amortisation expense	59,053	52,537
<i>Employee benefits expense</i>		
- Direct labour	130,575	126,507
- Payroll tax	7,175	6,892
- Superannuation	8,198	7,717
- Employee entitlements accrual	13,035	12,502
- Share Based Payments	232	285
- Other	384	317
Total employee benefits expense	159,599	154,220
Repairs, service and maintenance	56,792	50,538
Materials and supplies	112,326	118,191



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 \$'000	2014 \$'000
<b>NOTE 4. INCOME TAX EXPENSE</b>		
(a) The components of tax expense comprise:		
Current	24,343	24,040
Deferred	(1,107)	102
	23,236	24,142
(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% (2014: 30%)	23,295	23,877
Add tax effect of:		
- dividend imputation	11,527	10,559
- other non allowable items	61	130
- Other taxable items	26,897	24,528
- Prior year adjustment	(120)	246
Less tax effect of:		
- franking credits on dividends received	(38,424)	(35,198)
- other deductible items		
Income tax attributable to the entity	23,236	24,142
The applicable weighted average effective tax rate as	29.9%	30.3%
<b>NOTE 5. AUDITORS' REMUNERATION</b>		
Remuneration of the parent entity auditors for:		
- Auditing or reviewing the financial report	150	145
<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 2015.		
The totals of remuneration paid to KMP of the company and Group during the year are as follows:		
Short-term employee benefits	4,381	4,445
Post-employment benefits	242	178
Other long-term benefits	121	709
Share based payments	232	214
	4,976	5,546

**Other KMP Transactions**

There have been no other transactions involving equity instruments other than those described above and set out in greater detail in the Remuneration Report. For details of other transactions with KMP, refer to Note 30: Related Party Transactions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 \$'000	2014 \$'000
<b>NOTE 7. DIVIDENDS</b>		
Distributions paid		
Interim fully franked ordinary dividend of \$0.070 (2014: 0.065) per share franked at the tax rate of 30% (2014: 30%)	15,201	11,471
Special dividend of \$0.25 per share franked at the tax rate of 30% (2014: \$0.30)	58,169	60,803
2014 final dividend (fully franked) of \$0.075 per share paid in 2015 (2014: \$0.055)	16,287	9,488
	89,657	81,762
Total dividends per share for the period \$	0.395	0.42
Proposed final fully franked ordinary dividend of \$0.075 (2014: \$0.075) per share franked at the tax rate of 30% (2014: 30%)	17,451	15,201
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 and franking credits that may be prevented from distribution in subsequent financial year as per the income tax return at 30 June 2015 being the latest tax year end to balance date.	22,201	35,120
<b>NOTE 8. EARNINGS PER SHARE</b>		
a. Reconciliation of earnings to profit and loss		
Profit	54,413	55,448
(Profit)/loss attributable to non controlling interest	-	-
Earnings used to calculate basic EPS	54,413	55,448
Earnings used in the calculation of dilutive EPS	54,413	55,448
b. Weighted average number (000) of ordinary shares outstanding during the year in calculating basic EPS	226,676	182,810
Weighted average number (000) of dilutive options outstanding	262	1,866
Weighted average number (000) of ordinary shares outstanding during the year used in calculating dilutive EPS	226,938	184,676
<b>NOTE 9. CASH AND CASH EQUIVALENTS</b>		
Cash at bank	23	118,533
		104,540
<b>NOTE 10. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	82,063	138,296
Less – Impairment for doubtful debts	(1,821)	-
	80,242	138,296

## NOTE 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

### 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 2015</b>				
Trade and term receivables	82,063	1,821	28,755	51,487
Other receivables	-	-	-	-
Total	82,063	1,821	28,755	51,487
<b>30 June 2014</b>				
Trade and term receivables	138,296	-	70,089	68,207
Other receivables	-	-	-	-
Total	138,296	-	70,089	68,207

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.

	2015 \$'000	2014 \$'000
<b>b. Financial assets classified as loans and receivables</b>		
Trade and other receivables		
- Total current	80,242	138,296
- Total non-current	-	-
	80,242	138,296
Other loans		
- Total current	13	6,256
- Total non-current	13	9,878
	16,134	-

	2015 \$'000	2014 \$'000
<b>NOTE 11. OTHER ASSETS</b>		
CURRENT		
Prepayments	5,100	2,068
Deposit	29	921
	5,129	2,989
<b>NOTE 12. PROPERTY, PLANT &amp; EQUIPMENT</b>		
PLANT AND EQUIPMENT		
Plant and equipment – at cost	377,203	328,556
Accumulated depreciation & impairment	(221,803)	(160,669)
	155,400	167,887
Motor vehicles – at cost	8,654	9,189
Accumulated depreciation	(7,008)	(6,422)
	1,646	2,767
Leased plant and equipment – at cost	1,080	1,080
Accumulated depreciation	(1,080)	(1,080)
	-	-
Low value pool – at cost	175	175
Accumulated depreciation	(114)	(99)
	61	76
Leasehold improvements – at cost	1,688	1,597
Accumulated depreciation	(231)	(69)
	1,457	1,528
Total plant and equipment	158,564	172,258
Total property, plant and equipment	158,564	172,258

The Group monitors market conditions for indications of impairment of its operating assets. Where a trigger event occurs which indicates an impairment may have occurred, a formal impairment assessment is performed.

- The following trigger events have been identified as at 30 June 2015:
- The carrying amount of the Group's net assets exceed the Company's market capitalisation

The deterioration in market conditions and commodity prices (particularly iron ore) which have adversely impacted the Group's operations

As a result, an assessment has been made of the recoverable amounts of each of the Mining and Crushing Cash Generating Units (CGU's) as at 30 June 2015 on a value in use basis. Both CGUs form part of the Group's core Mining Services operating segment. For this purpose, cash flows have been projected for 5 years from the continuing use of assets within each CGU as well as the disposal of any assets, and have been discounted using a pre-tax discount rate that reflects the assessed risks specific to the CGU's. Projected future cash flows from the continuing use of assets have been based on the current contracted work in hand plus, in the case of the Mining CGU, a modest allowance for estimated new work. No terminal growth rate has been applied to the Crushing CGU cash flows and a 2% terminal growth rate (beyond FY2017) has been applied to the Mining CGU cash flows. The pre-tax discount rates which have been applied to each of these CGU's are 16.6% and 17.2% respectively.

## NOTE 12. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

The assessment has resulted in an impairment of \$5.772 million to the plant and equipment employed within the Crushing CGU and no impairment to the assets employed within the Mining CGU.

Key Assumptions used for value in use calculations

- a) EBITDA Margin
- b) Discount Rates
- c) Growth rates used to extrapolate cash flows beyond the forecast period
- d) Capital expenditure

The EBITDA Margin is based on management's best estimate taking into account past performance and expected market conditions. Working Capital has been adjusted to reflect the required working capital for the forecast future cashflows.

Capital expenditure has considered both required replacement capital and idle equipment which could be utilised to sustain the current Work in Hand schedule. Capital expenditure has been matched to depreciation levels in the terminal year.

Growth rates and discount rates applied are shown below.

CGU	Growth Rate					Post-Tax Discount Rate	Pre-tax Discount rate
	FY15	FY16	FY17	FY18-19	Terminal Year		
Crushing	(76.6%)	0%	(8.3%)	(16.7%)	(100%)	14%	16.6%
Mining	(15.2%)	(16.5%)	2%	2%	2%	13%	17.2%

### Mining CGU

This CGU is included in the Mining Segment. The impairment test conducted at 30 June 2015 did not result in an impairment as the recoverable amount of the CGU exceeded the carrying value.

#### Sensitivity Analysis

As disclosed above management have made judgements and estimates in respect of impairment testing of plant and equipment. Any adverse changes to key assumptions may result in a further impairment in the future. The sensitivities are as follows;

- i. Revenue would need to decrease by 17% from the estimate used in the Value in Use calculation before Mining CGU plant and equipment would be impaired; or
- ii. The discount rate would need to increase by 9% before Mining CGU plant and equipment would be impaired.

### Crushing CGU

This CGU is included in the Mining Segment. The impairment test conducted at 30 June 2015 resulted in the CGU being impaired. It is estimated the recoverable amount was \$19.6M. As a result an impairment of \$5.772M has been recognized against plant and equipment.

#### Sensitivity Analysis

As disclosed above management have made judgements and estimates in respect of impairment testing of plant and equipment. As the assets of the Crushing CGU have been written down to their carrying value, the sensitivities are as follows;

- i. Revenue would need to decrease by 3% from the estimate used in the Value in Use calculation before Crushing CGU plant and equipment would be impaired; or
- ii. The discount rate would need to increase by 4% before Crushing CGU plant and equipment would be impaired.

#### 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

## NOTE 12. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

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 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

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2014		167,887	2,767		76	1,528	172,258
Additions	-	50,826	50	-	2	91	50,969
Disposals	-	(47)	(139)	-	(2)	(17)	(205)
Foreign Currency movements	-	367	-	-	-	-	367
Impairment		(5,772)					(5,772)
Depreciation expense	-	(57,861)	(1,032)	-	(15)	(145)	(59,053)
Capitalised borrowing cost and depreciation	-	-	-	-	-	-	-
Balance at 30 June 2015	-	155,400	1,646	-	61	1,457	158,564

	2015 \$'000	2014 \$'000
<b>NOTE 13. LOANS TO OTHER COMPANIES</b>		
Loans to Other Companies - current	6,256	-
Loans to Other Companies - non current	9,878	-
	16,134	-

The loan is partially secured by a cash deposit held in escrow (\$7.2M) and repayable in instalments until 31 December 2016.

<b>NOTE 14. AVAILABLE FOR SALE FINANCIAL ASSETS</b>		
Shares in Listed corporations at Fair Value - current	-	4,500
Shares in Listed corporations at Fair Value - non current	1,898	-
	1,898	4,500

## NOTE 15. TAX

### (a) Liabilities

<b>CURRENT</b>		
Income tax	2,885	7,476
<b>NON-CURRENT</b>		
Deferred tax liability comprises:		
Prepayments	-	-
Other	94	748
Total	94	748

	2015 \$'000	2014 \$'000
<b>NOTE 15. TAX (CONTINUED)</b>		
<b>(b) Assets</b>		
NON-CURRENT		
Deferred tax assets comprises:		
Provisions	3,442	4,230
Receivables	547	-
Other	2,099	1,105
Total	6,088	5,335
<b>(c) Reconciliations</b>		
<b>i. Gross movements</b>		
The overall movement in the deferred tax account is as follows:		
Opening balance	4,587	4,213
(Charge)/credit to income statement	756	974
(Charge)/credit to equity	651	(600)
Closing balance	5,994	4,587
<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	748	127
Charge / (Credit) to income statement	(29)	21
Charge / (Credit) to equity	(625)	600
Closing balance	94	748
<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	4,230	3,235
Credit to income statement	(788)	995
Closing balance	3,442	4,230
Receivables:		
Opening balance	-	-
(Charge) / Credit to income statement	547	-
Closing balance	547	-
Other:		
Opening balance	1,105	1,105
(Charge) / Credit to income statement	968	-
(Charge) / Credit to equity	26	-
Closing balance	2,099	1,105

NOTES TO THE FINANCIAL STATEMENTS  
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	2015 \$'000	2014 \$'000
<b>NOTE 16. TRADE AND OTHER PAYABLES</b>		
CURRENT		
<i>Unsecured Liabilities:</i>		
Trade creditors	38,374	68,659
Sundry creditors and accruals	16,362	10,288
	54,736	78,947
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	54,736	78,947
- Total non-current	-	-
	54,736	78,947
<b>NOTE 17. FINANCIAL LIABILITIES</b>		
CURRENT		
<i>Secured Liabilities:</i>		
Finance lease liability	41,032	39,846
	41,032	39,846
NON-CURRENT		
<i>Secured Liabilities</i>		
Finance lease liability	35,198	58,024
	35,198	58,024
a. Total current and non-current secured liabilities:		
Finance lease liability	20 76,230	97,870
	76,230	97,870
b. The carrying amounts of non-current assets pledged as security are:		
Finance lease liability	98,282	113,066
	98,282	113,066
<b>Insurance Bonding Facilities</b>		
The Company has an insurance bonding facility totaling \$15 million. At 30 June 2015 the amount drawn on the facility was \$1.88 million		



	2015 \$'000	2014 \$'000
<b>NOTE 18. PROVISIONS</b>		
CURRENT		
Employee Entitlements	9,282	8,449
<b>a. Movement in provisions:</b>	<b>Employee entitlements</b>	<b>Total</b>
<b>Consolidated:</b>		
Opening balance as at 1 July	8,449	7,289
Additional provisions	14,690	12,502
Amounts used	(13,857)	(11,342)
Closing balance as at 30 June	9,282	8,449
<b>b. Provision for employee benefits</b>		
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.		
<b>NOTE 19. ISSUED CAPITAL</b>		
232,676,373 (2014: 202,676,373) Fully paid ordinary shares with no par value	209,016	152,290
<b>a. Ordinary shares:</b>	<b>No.</b>	<b>No.</b>
At the beginning of the reporting period	202,676,373	172,500,000
Shares issued during the year		
- 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
- 11 September 2014 – Capital Raising	30,000,000	-
Shares at reporting date	232,676,373	202,676,373
The company has no authorised share capital. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands		
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.		

		2015 \$'000	2014 \$'000
<b>NOTE 19. ISSUED CAPITAL (CONTINUED)</b>			
Total borrowings	17	76,230	97,870
Less cash and cash equivalents	9	(118,533)	(104,540)
Net debt		(42,303)	(6,670)
Total equity		255,968	238,720
Total capital		213,665	232,050
Gearing ratio		(20%)	(3%)
<b>NOTE 20. CAPITAL &amp; LEASING COMMITMENTS</b>			
<b>(a) Capital expenditure commitments</b>			
Capital expenditure commitments contracted for:			
Plant and equipment purchases		18,519	4,802
Payable			
- not later than 12 months		18,519	4,802
- between 12 months and 5 years		-	-
- greater than 5 years		-	-
Minimum Commitments		18,519	4,802
<b>(b) Finance lease commitments</b>			
Payable — minimum lease payments			
- not later than 12 months		43,969	43,050
- between 12 months and 5 years		36,731	62,163
- greater than 5 years		-	-
Minimum lease payments		80,700	105,213
Less: Future Finance Charges		(4,470)	(7,344)
		76,230	97,869
<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		1,515	1,400
- between 12 months and 5 years		5,824	5,600
- greater than 5 years		-	2,800
		7,339	9,800

## NOTE 21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Performance Guarantees

MACA has indemnified its bankers and insurance bond providers in respect of bank guarantees and insurance bonds to various customers for satisfactory contract performance and warranty security in the following amounts: 30 June 2015: \$3.215 million (2014: \$1.077 million)

There are no contingent assets or liabilities other than those listed above.

## 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 two geographical segments being the provision of civil and contract mining services to the mining industry throughout Australia and mining services to the mining industry in Brazil, South America.

### Basis of Accounting for Purposes of Reporting by Operating Segments

#### Accounting Policies Adopted

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

#### Inter-segment transactions

Inter-segment loans payable and receivable are initially recognized 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. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

#### Unallocated items

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

- Dividends, interest, head office and other administration expenditure

## NOTE 22. OPERATING SEGMENTS (CONTINUED)

Consolidated - June 2015	Mining \$'000	Civil \$'000	Unallocated \$'000	Total \$'000
<b>Revenue</b>				
Total reportable segment revenue	541,394	56,612	-	598,006
Other Revenue	1,058	74	2,262	3,394
<b>Total revenue</b>	<b>542,452</b>	<b>56,686</b>	<b>2,262</b>	<b>601,400</b>
<b>Earnings before interest, tax, depreciation, amortisation and impairments</b>				
Depreciation and amortisation	143,569	437	1,762	145,768
Impairment of assets (debtors and plant & equipment)	(58,795)	(259)	-	(59,054)
Interest Revenue	(7,593)	-	-	(7,593)
Finance costs	620	74	2,262	2,956
Profit/(loss) before income tax expense	(4,428)	-	-	(4,428)
Income tax expense	73,373	252	4,024	77,649
<b>Profit after income tax expense</b>				<b>(23,236)</b>
<b>Profit after income tax expense</b>				<b>54,413</b>
<b>Assets</b>				
Segment assets	240,770	31,953	126,472	399,195
<b>Total assets</b>				<b>399,195</b>
<b>Liabilities</b>				
Segment liabilities	116,154	26,780	292	143,226
<b>Total liabilities</b>				<b>143,226</b>
Capital expenditure	50,829	140	-	

Consolidated - June 2014	Mining \$'000	Civil \$'000	Unallocated \$'000	Total \$'000
<b>Revenue</b>				
Total reportable segment revenue	515,485	74,100	-	589,585
Other Revenue	1,954	104	3,744	5,802
<b>Total revenue</b>	<b>517,439</b>	<b>74,204</b>	<b>3,744</b>	<b>595,387</b>
<b>Earnings before interest, tax, depreciation and amortisation</b>				
Depreciation and amortisation	129,009	5,928	(301)	134,636
Interest Revenue	(52,175)	(362)	-	(52,537)
Finance costs	654	104	2,617	3,375
Profit/(loss) before income tax expense	(5,757)	(127)	-	(5,884)
Income tax expense	71,731	5,543	2,316	79,590
<b>Profit after income tax expense</b>				<b>(24,142)</b>
<b>Profit after income tax expense</b>				<b>55,448</b>
<b>Assets</b>				
Segment assets	296,702	21,133	114,375	432,210
<b>Total assets</b>				<b>432,210</b>
<b>Liabilities</b>				
Segment liabilities	169,053	16,212	8,225	193,490
<b>Total liabilities</b>				<b>193,490</b>
Capital expenditure	50,989	35	-	

## NOTE 22. OPERATING SEGMENTS (CONTINUED)

Geographical information	Revenue		Non-current assets	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Australia	573,876	595,387	141,337	177,593
Brazil	27,524	-	35,091	-
<b>Total</b>	<b>601,400</b>	<b>595,387</b>	<b>176,428</b>	<b>177,593</b>

### Major customers

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 31%, 21% and 12% of external revenue. (2014: 32%, 21%, 20%). The next most significant client accounts for 11% (2014:10%) of external revenue.

	2015 \$'000	2014 \$'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 balance sheet as follows:		
Cash and cash equivalents	118,533	104,540
Bank overdraft	-	-
	<b>118,533</b>	<b>104,540</b>
<b>(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax</b>		
Operating profit after income tax	54,413	55,448
Non-cash flows in profit from ordinary activities		
Depreciation and amortization	59,053	52,537
Impairment of plant and equipment	5,772	-
Impairment of debtors	1,821	-
Net (gain)/loss on disposal of plant and equipment	(84)	1,738
Net (gain)/loss on disposal of investments	(2,132)	-
Foreign exchange losses	753	-
Share based payment	232	285
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	56,232	(77,861)
(Increase)/decrease in other assets	(2,137)	(2,333)
(Increase)/decrease in inventories & WIP	(8,315)	(687)
Increase/(decrease) in trade and other payables	(23,984)	17,060
Increase/(decrease) in income tax payable	(4,591)	(131)
Increase/(decrease) in deferred tax payable	(1,406)	(374)
Increase/(decrease) in provisions	833	1,160
	<b>136,461</b>	<b>46,842</b>
<b>(c) Non-cash financing and Investing Activities</b>		
During the year the economic entity acquired plant and equipment with an aggregate value of \$17,945,477 (2014: \$30,421,468) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.		
<b>(d) Acquisition of Entities</b>		
During the year the economic entity did not acquire any entities by non-cash means (2014: nil)		

		2015 \$'000	2014 \$'000
<b>NOTE 24. SHARE-BASED PAYMENTS</b>			
(a)	Options		
	There were no options issued for the year ended 30 June 2015. 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:		
		<b>Number</b>	<b>Weighted Average Exercise price</b>
	<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>	-	-
	Granted	-	-
	Forfeited	-	-
	Exercised	-	-
	Expired	-	-
	<b>Options outstanding as at 30 June 2015:</b>	-	-

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.

(b) Performance Rights

During the 2015 financial year 663,501 performance rights were granted under the Group's Performance Rights Plan but were not issued until after the end of the financial year (2014: 446,830). On 12 November 2014 shareholders approved the issue of 183,280 performance rights to the Managing Director Mr Chris Tuckwell. As at 30 June 2015 there were 925,331 performance rights outstanding of which 261,830 had been issued.

## NOTE 25. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year MACA Limited has received a Letter of Intent from Avanco Resources Limited in relation to its Antas North project in Brazil, South America. The work is expected to generate revenue of approximately \$120 million over a contract term of 5 years. The works will require approximately \$20 million in capital equipment during the financial year ended 30 June 2016.

Subsequent to the end of the financial year MACA received shares and options in Atlas Iron Limited for a subscription value of approximately \$4.79 million. Upon the shares relisting, MACA transferred amounts outstanding to available for sale investments after booking an impairment on debtors of \$0.76 million. MACA's exposure is capped at \$1.37 million under an insurance policy.

Kimberley Diamond Company Pty Ltd was placed into administration owing MACA \$1.55 million. An impairment on trade debtors has been recognised as an expense in the accounts at 30 June 2015.

MACA appointed Mr Robert Ryan as a Non-Executive Director. Refer ASX announcement 18 August 2015.

MACA has been awarded the Fortescue River Bridge by the MRWA in joint venture capacity.

## NOTE 26. 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, loans to other companies 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	2015 \$'000	2014 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	9	118,533	104,540
Loans and receivables			
– Trade and other receivables	10(b)	80,242	138,296
– Other Loans	13	16,134	-
Available-for-sale financial assets:			
– at fair value			
– listed investments	12	1,898	4,500
Total Financial Assets		216,807	247,336
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
– Trade and other payables	16	54,736	78,947
– Borrowings	17	76,230	97,870
Total Financial Liabilities		130,966	176,817

### 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 Board 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.

## NOTE 26. FINANCIAL RISK MANAGEMENT

### *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 approximately 27% (2014: 23%) of credit risk with a single counterparty or group of counterparties. Failure or default of a major counterparty would have a material impact on earnings. Details with respect to credit risk of Trade and Other Receivables are provided in Note 10(a). MACA carries a credit risk insurance policy. The amount of cover varies on a client by client basis dependant on the counterparty.

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.



## NOTE 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015 '000	2014 '000	2015 '000	2014 '000	2015 '000	2014 '000	2015 '000	2014 '000
<b>Financial liabilities due for payment</b>								
Trade and other payables	54,736	78,947	-	-	-	-	54,736	78,947
Finance lease liabilities	41,032	39,846	35,198	58,024	-	-	76,230	97,870
Total contractual outflows	95,768	118,793	35,198	58,024	-	-	130,966	176,817
Total expected outflows	95,768	118,793	35,198	58,024	-	-	130,966	176,817
<b>Financial assets – cash flows realisable</b>								
Cash and cash equivalents	118,533	104,539	-	-	-	-	118,533	104,539
Trade, term and loans receivables	86,498	138,296	9,878	-	-	-	96,376	138,296
Other investments	-	4,500	1,898	-	-	-	1,898	4,500
Total anticipated inflows	205,031	247,335	11,776	-	-	-	216,807	247,335
Net (outflow)/inflow on financial instruments	109,263	128,542	(23,422)	(58,024)	-	-	85,841	70,518

Financial assets pledged as collateral

No financial assets have been pledged as security for debt.

### c. Market Risk

#### i. Interest rate risk

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

	Floating Interest Rate		Fixed Interest Rate				Non-interest Bearing		Total		Weighted Average Effective Interest Rate	
			Within 1 Year		1 to 5 Years							
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 %	2014 %
<b>Financial Assets:</b>												
Cash	118,533	104,540	-	-	-	-	-	-	118,533	104,540	2.65	2.98
Trade and other receivables	-	-	-	-	-	-	96,376	138,296	96,376	138,296	N/A	N/A
<b>Total Financial Assets</b>	118,533	104,540	-	-	-	-	96,376	138,296	214,909	242,836		
<b>Financial Liabilities:</b>												
Finance lease	-	-	43,969	43,051	36,731	62,163	-	-	80,700	105,214	4.76	5.19
Trade and other payables	-	-	-	-	-	-	54,736	78,947	54,736	78,947	N/A	N/A
<b>Total Financial Liabilities</b>	-	-	43,969	43,051	36,731	62,163	54,736	78,947	135,436	184,161		

## NOTE 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 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 exposed to fluctuations in foreign currencies. The currency exposure relates to Brazilian Real and a USD lease facility. The USD lease facility is offset by cash held in a USD bank account equal to the total of the lease. Brazilian Real is unhedged.

### 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 2015</b>		
+/- 2% in interest rates	+/- 1,860	+/- 1,860
+/- 10% in the value of listed investments	+/- 0	+/- 190
+/- 10% in AUD/BRL exchange rate	+/- 290	+/- 1,803
+/- 10% in AUD/USD exchange rate	+/- 0	+/- 0
<b>Year ended 30 June 2014</b>		
+/- 2% on interest rates	+/- 2,083	+/- 2,083
+/- 10% in listed investments	+/- 450	+/- 450
+/- 10% in AUD/BRL exchange rate	+/- 0	+/- 0
+/- 10% in AUD/USD exchange rate	+/- 0	+/- 0

### 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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.

	Country of Incorporation	Percentage Owned (%)*	
		2015	2014
<b>NOTE 27. CONTROLLED ENTITIES</b>			
<b>Parent entity:</b>			
MACA Limited	Australia	-	-
<b>Subsidiaries:</b>			
MACA Mining 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 Mineracao e Construcao Civil Ltda	Brazil	100%	-
* Percentage of voting power in proportion to ownership			

	2015 \$'000	2014 \$'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	115,530	63,773
<b>TOTAL ASSETS</b>	<b>307,252</b>	<b>247,271</b>
<b>LIABILITIES</b>		
Current liabilities	255	181
<b>TOTAL LIABILITIES</b>	<b>255</b>	<b>181</b>
<b>EQUITY</b>		
Issued capital	301,539	244,813
Reserves	102	95
(Accumulated losses)/ Retained profits	5,356	2,122
<b>TOTAL EQUITY</b>	<b>306,997</b>	<b>247,030</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>		
Profit for the year (including interco dividends)	93,682	84,077
<b>Total comprehensive income</b>	<b>93,682</b>	<b>84,077</b>

## 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 2015 (2014: none).

### Contractual commitments

	2015 \$'000	2014 \$'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.

## NOTE 30. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties:

*Other related parties:*

Key management person and/or related party	Transaction	2015 \$	2014 \$
Partnership comprising entities controlled by Mr G.Baker, Mr R.Williams, Mr J.Moore, Mr D. Edwards & Mr F.Maher.	Expense - Rent on Ewing St and Division St Business premises.	1,119,000	702,000
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
Kirk Mining Consultants - a company controlled by current director Mr L. Kirk.	Expense - Mining consulting fees	119,754	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.	1,641,792	3,580,825
Gateway Equipment Parts & Services Pty Ltd - a company controlled by current director Mr G.Baker and former directors Mr R.Williams, Mr D.Edwards, Mr F.Maher and Mr J.Moore.	Revenue - sale of equipment	205,130	148,500
<b>Amounts payable at year end arising from the above transactions (Receivables Nil)</b>		<b>2015 \$</b>	<b>2014 \$</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 director Mr G.Baker and former directors Mr R.Williams, Mr D.Edwards, Mr F.Maher and Mr J.Moore.		200,737	573,867
Partnership comprising entities controlled by Mr G.Baker, Mr R.Williams, Mr J.Moore, Mr D.Edwards & Mr F.Maher.		138,967	-

## NOTE 31. RESERVES

### a. Financial Assets Reserve

The financial assets reserve records revaluations of available for sale financial assets.

### b. General Reserve

The general reserve records funds associated with the acquisition of non-controlling interests of a controlled entity from previous years.

### c. Option Reserve

The option reserve records items recognised as share based payments/expenses on valuation of employee share options or performance rights.

### d. FX Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

## NOTE 32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2015. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

### (i) **AASB 9 Financial Instruments**

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

### (ii) **AASB 15 Revenue from Contracts with Customers**

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the Group.

# DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements set out on pages 39 to 76 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 2015 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 s286 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 30<sup>th</sup> day of September 2015

# INDEPENDENT AUDIT REPORT

MOORE STEPHENS

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## Independent Audit Report

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACA LIMITED

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Perth WA 6000

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Terrace WA 6831

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### 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 2015, 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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## *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 2015 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**

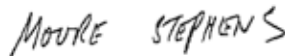
We have audited the remuneration report as included in the Directors' Report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to 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 2015 complies with s 300A of the *Corporations Act 2001*.



**Suan-Lee Tan**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 30<sup>th</sup> day of September 2015

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# SHAREHOLDER INFORMATION

As at 9 September 2015

## 1. Numbers of Holders of Equity Securities

### a. Ordinary Share Capital

232,676,373 fully paid ordinary shares are held by 2,554 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 9 September 2015

	Total Holders	Units	% of issued capital
1 - 1,000	311	172,359	0.07
1,001 – 5,000	855	2,636,340	1.13
5,001 – 10,000	514	4,242,664	1.82
10,001 – 100,000	784	23,390,033	10.05
100,001 – and over	90	202,234,977	86.93
Total	2,554	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 9 September 2015:

	Number
1. Perpetual investments Ltd	23,113,405
2. Celeste Funds Management	16,529,135
3. David and Lily Edwards / Mining and Civil Management Services Pty Ltd	15,375,000
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

There were no substantial option holders listed in the Company's register as at 9 September 2015.

### 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 9 September 2015, there were 163 holders who held shares that were unmarketable parcels.

## 2. Twenty Largest Shareholders

Name	Number	Percentage
1. J P MORGAN NOMINEES AUSTRALIA LIMITED	35,820,432	15.39
2. NATIONAL NOMINEES LIMITED	18,900,230	8.12
3. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,526,210	7.53
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>	13,230,033	5.69
8. ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	9,933,391	4.27
9. CITICORP NOMINEES PTY LIMITED	9,580,302	4.12
10. MR JAMES EDWARD MOORE + MS JULIA CATHERINE MOORE	7,725,000	3.32
11. RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <PICREDIT>	6,450,319	2.77
12. BNP PARIBAS NOMS PTY LTD <DRP>	6,110,674	2.63
13. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	5,882,948	2.53
14. MR KENNETH RUDY KAMON	4,048,293	1.74
15. BRISPTOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>	2,937,450	1.26
16. AUST EXECUTOR TRUSTEES LTD <CHARITABLE FOUNDATION>	2,485,156	1.07
17. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	955,182	0.41
18. BOND STREET CUSTODIANS LIMITED <FORAGER WHOLESALE VALUE FD>	800,000	0.34
19. AJAVA HOLDINGS PTY LTD	798,726	0.34
20. AUST EXECUTOR TRUSTEES LTD <BIPETA>	627,996	0.27

## 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.





**MACA Limited and its Controlled Entities**

ABN 42 144 745 782

