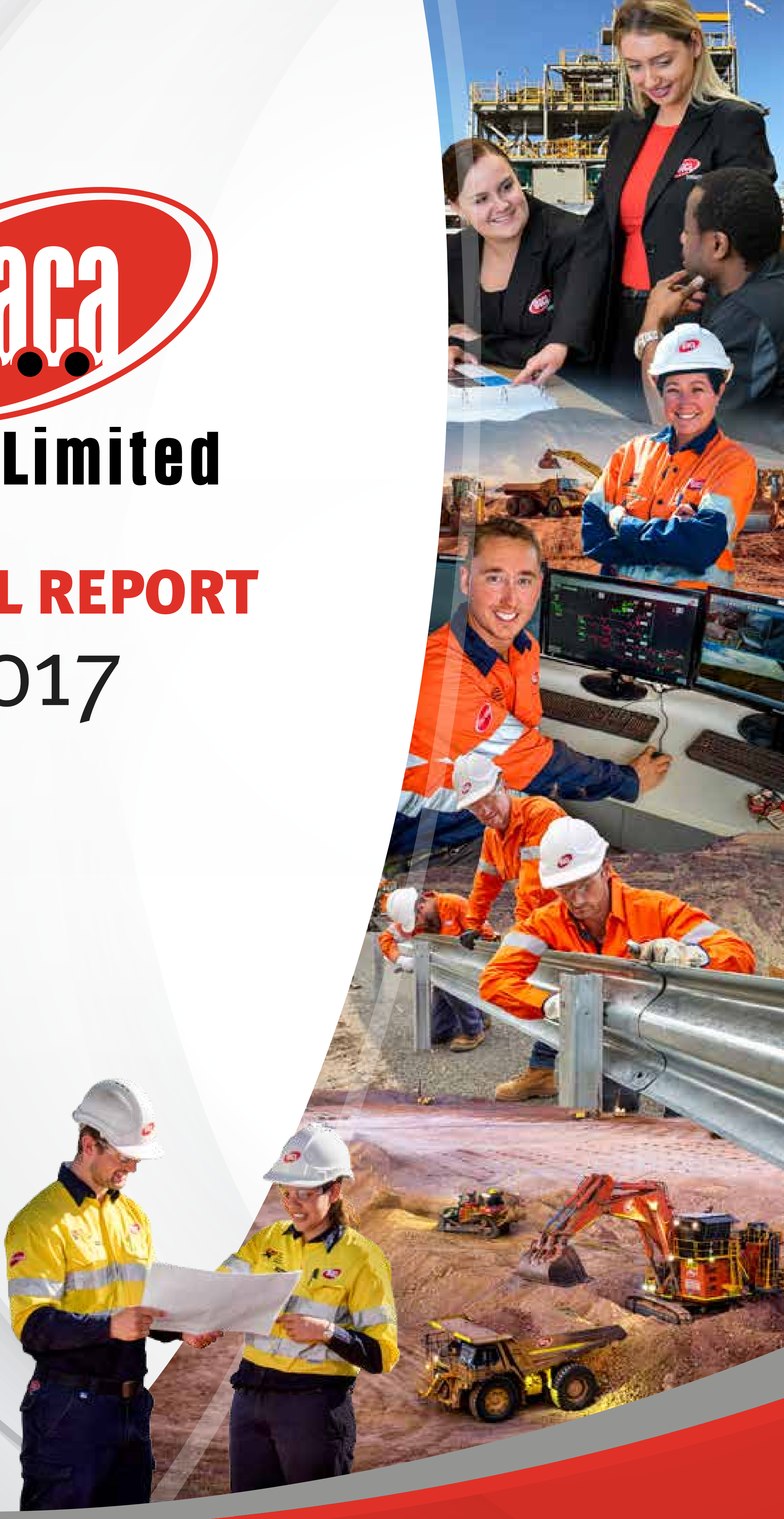
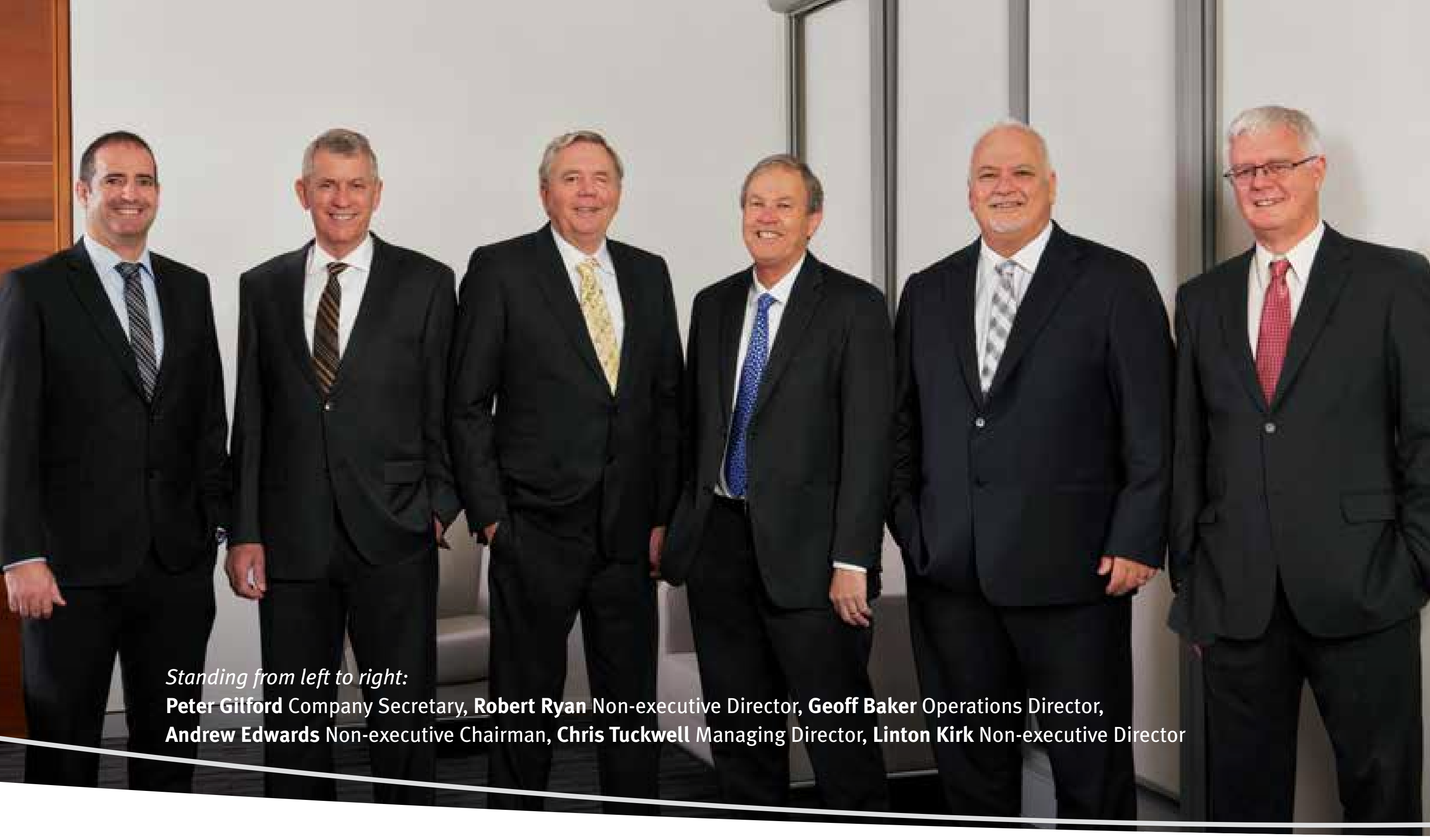
maca Limited

ANNUAL REPORT 2017





Standing from left to right:
Peter Gilford Company Secretary, **Robert Ryan** Non-executive Director, **Geoff Baker** Operations Director,
Andrew Edwards Non-executive Chairman, **Chris Tuckwell** Managing Director, **Linton Kirk** Non-executive Director

CORPORATE DIRECTORY

MACA LIMITED

ABN 42 144 745 782

DIRECTORS

Andrew Edwards
Non-executive Chairman

Chris Tuckwell
Managing Director /
Chief Executive Officer

Geoff Baker
Executive Director

Linton Kirk
Non-executive Director

Robert Ryan
Non-executive Director

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

Exchange Tower
2 The Esplanade
PERTH WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Ltd

11/122 St Georges Terrace
PERTH WA 6000

STOCK EXCHANGE LISTINGS

MACA Limited shares are listed
on the Australian Securities Exchange

ASX Code : MLD

WEBSITE ADDRESS

www.maca.net.au

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ABOUT MACA

MACA IS A SUCCESSFUL INTEGRATED SERVICES CONTRACTOR WITH OPERATIONS SPANNING AUSTRALIA AND BRAZIL. WITH A TEAM OF OVER 1,540 HIGHLY SKILLED AND DEDICATED PEOPLE WE PROVIDE TAILORED SOLUTIONS TO SUIT THE NEEDS OF OUR CLIENTS.

WE SPECIALISE IN:

MINING
CIVIL CONSTRUCTION
INFRASTRUCTURE, AND
MINERAL PROCESSING EQUIPMENT

Mining – providing open pit contracting services including drilling and blasting, and loading and hauling across a range of commodities in Australia and Brazil.

Civil Construction and Infrastructure – through our dedicated civil construction and asset maintenance businesses, we provide a broad range of civil infrastructure and maintenance services to government and private organisations across Australia.

Mineral Processing Equipment – delivering small to large scale structural, mechanical and piping (SMP) projects, new and refurbished plant & equipment and consumables to the Mineral Processing sector of the resources 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 growth based on its solid financial and operational capacity. Since listing in November 2010, MACA has paid a total of $1.25 per share in dividends to shareholders.

CHAIRMAN'S ADDRESS

AS ANTICIPATED IN LAST YEAR'S ADDRESS, YOUR COMPANY ACHIEVED SOLID GROWTH IN 2017 ON THE BACK OF AN IMPROVED, BUT STILL CHALLENGING, MINING AND CIVIL SECTORS. THIS UPWARD TREND IS EXPECTED TO CONTINUE INTO 2018 AND PROVIDE THE CATALYST FOR FURTHER GROWTH IN REVENUE AND EARNINGS.

I am pleased to report that MACA delivered a full year net profit after tax of $32.1 million. This is 33% up on the prior year, a solid result helped by higher mining activity but nonetheless in a demanding operating environment.

Your Directors have declared a final dividend of 4.5 cents per share taking the total dividends for the year to 9.0 cents fully franked. This represents a 65% dividend payout ratio which is consistent with the Company's targeted guideline.

MACA's relentless focus on business improvement and exceeding client expectations has been instrumental in both maintaining our existing client base and winning new work in the face of considerable competition. This year we have been awarded mining works for Ramelius Resources at the Mount Magnet gold project, for Northern Minerals Browns Range heavy rare earth minerals project and subsequent to year end awarded the Pligangoora Lithium-Tantalum project for Pilbara Minerals. This work will enable MACA to give continued employment for personnel relocating from completed projects and better utilization of idle assets coming off completed works.

The Contractor Collaboration Agreement with Atlas Iron and other parties on the Abydos and Wodgina iron ore projects has essentially come to a conclusion and has rewarded MACA over that period through the ability to earn a reasonable margin and a satisfactory return for the risk taken on as part of the Agreement.

The 2017 financial result has been achieved after making further investment in our Civil and Infrastructure businesses. This has included establishing a Structural, Mechanical and Piping offering in the mining sector via the acquisition of a controlling interest in Interquip Pty Ltd, as well as purchasing the remaining 25% of our Services South East business. These businesses have not performed to expectations in 2017 with their results also impacted by integration and restructuring costs. Nevertheless, the Company remains committed to its diversification strategy to include Civil and Infrastructure activities, and believes it has a sound platform from which to generate a turnaround in the financial performance in 2018. In this regard, the Civil division was awarded one of the largest civil earthworks projects tendered during the year within Western Australia, the Gruyere Gold project civil works, which commenced in May 2017 for an expected duration of approximately 12 months.

As previously announced, MACA is expecting revenue to increase to $560 million in FY2018, of which in excess of 70% is already contracted. The Company has work in hand in excess of $1.1 billion and a strong pipeline of opportunities.

Winning some of these opportunities will require investment in additional mining fleet and working capital. Consequently, in September 2017 the Company raised a further $60 million through a share placement to institutional and professional investors. Combined with its net cash (after deducting interest bearing debt) of $64 million as at 30 June 2017, MACA is strongly positioned to pursue organic growth opportunities and potential acquisitions in an improving market.

I would like to once again especially thank our executive leadership team and all staff for their hard work, and to my fellow Directors for their wise counsel.

The Board is confident that your Company is well placed to benefit from the expected uplift in activity in the sectors in which it operates and in so doing deliver strong returns to our shareholders. Thank you for your continuing support.

Andrew Edwards
Chairman

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

Dear Shareholders

On this, the 15th year since incorporation of MACA and our 7th 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 continued strength of MACA's business, despite what has been a demanding operating environment for the mining and civil sectors. Whilst the result is pleasing, it has been impacted by investment of both time and resources in existing business divisions and integration of acquisitions. The Company believes this investment will greatly assist in providing a robust platform to support sustained growth in line with our Corporate Strategy.

Mining - Australia

Operational activities have continued to grow in gold, with MACA commencing new contracts with Ramelius Resources at Mount Magnet and for Northern Minerals Browns Range heavy rare earth minerals project.

MACA continues to perform well across its broad spectrum of projects in the mining sector. During the period MACA continued operations at Rosemont, Garden Well and Moolart Well for Regis Resources, Abydos and Mt Dove for Atlas Iron, Central Murchison for MetalsX and Matilda for Blackham Resources.

Operations at Mount Monger for Silver Lake Resources, Golden Grove for MMG Mining, Deflector for Doray and Wodgina for Atlas Iron were completed during the year.

Subsequent to year end operations commenced on our mining services contract for Ramelius Resources at its Mount Magnet project and the works for Central Murchison for MetalsX were completed.

The commencement of the Mount Magnet project for Ramelius and award of mining services at the Pilgangoora project for Pilbara Minerals in early September 2017 will enable MACA to fully utilise our mining equipment and importantly continued employment for personnel relocating from completed projects.

International

Both projects in Brazil for Beadell Resources' Tucano gold project and Avanco's copper project at Antas continue to perform satisfactorily given the challenges of remoteness, and the Company continues to look for further opportunities in Brazil.

Civil and Infrastructure

In the first half of FY 2017 MACA purchased the remaining 25% of the Services South East business and rebranded it MACA Infrastructure. MACA was awarded a Road and Asset Maintenance contract with Main Roads in the Kimberley Region in February of 2017 in line with our strategy of growing the Infrastructure division.

Further to this the Civil division has commenced the Gruyere Gold project Site Bulk Earthworks, Access Roads, Airstrip and Tailings Storage Facility works.

Mineral Processing

In December 2016 MACA purchased 60% of Interquip, a privately owned business providing end to end processing solutions in Western Australia and the Northern Territory. The business has since been rebranded MACA Interquip. The acquisition has enabled MACA to establish a Structural, Mechanical and Piping (SMP) offering within the mining industry. The solid pipeline of opportunities supports MACA's expectations of revenue and profit growth.

A strong culture and commitment to the MACA brand has contributed to the successful delivery of quality projects and financial performance. The ongoing commitment to training through our Leadership Development Program, Engineering Graduate and Apprentice Programs continues to ensure we develop skilled MACA employees. MACA highly values its diligent and loyal employees and the Board would like to extend its thanks to them and all of our stakeholders who remain an essential part of our success.

We remain committed to providing all of our employees and contractors with a safe place to work and we continually strive to ensure that safety remains a core focus within our business.

FINANCIAL AND OPERATING PERFORMANCE

OPERATING REVENUE OF $497.9 MILLION

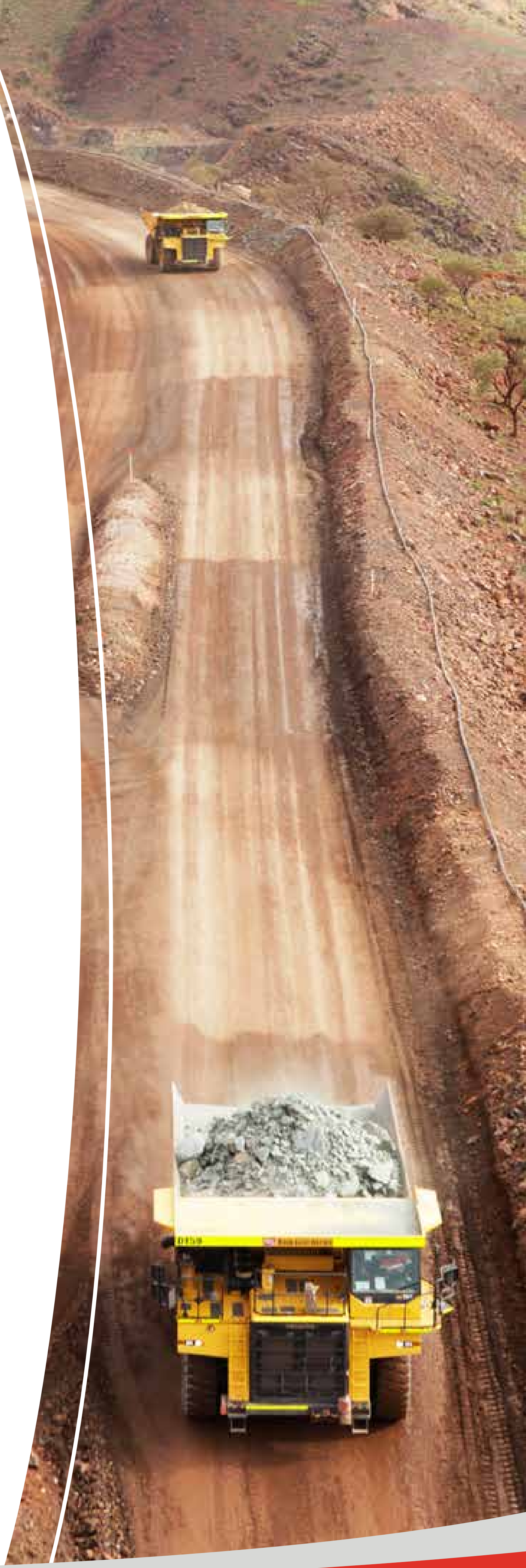
EBITDA OF $99.2 MILLION

NET PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS OF $32.1 MILLION

NET OPERATING CASH FLOW OF $68.1 MILLION

FINAL DIVIDEND OF 4.5 CENTS PER SHARE
(FULLY FRANKED)
(TOTAL FOR FY17 OF 9.0 CPS)

STRONG BALANCE SHEET WITH A NET CASH POSITION OF $64.2 MILLION
EXCLUDING SEPTEMBER 2017 CAPITAL RAISING



FINANCIAL PERFORMANCE

	30 June 2017	30 June 2016	Movement
Revenue	$497.9M	$431.4M	15%
EBITDA	$99.2M	$90.7M	9%
EBIT	$46.4M	$34.3M	35%
Net Profit Before Tax	$44.1M	$33.6M	31%
Net Profit After Tax	$32.1M	$24.2M	33%
Contracted Work in Hand	$1,130M	$1,160M	(3)%
Operating Cash Flow	$68.1M	$64.1M	6%
Earnings per share - basic	13.7 cents	10.4 cents	32%
Dividends per share (fully franked)	9.0 cents	8.5 cents	6%

Group revenue increased overall with growth in the core mining segment of 6%, and a revenue increase in the civil, infrastructure and mineral processing equipment businesses of 236%.

The after tax profit has increased to $32.1 million for the year ended 30 June 2017. The Civil, Infrastructure and Mineral Processing businesses recorded a loss for the full year of $4.9 million.

EBITDA (Earnings before interest, tax, depreciation and amortisation) was $99.2 million (20 % of revenue) for the period ending 30 June 2017, a solid result.

DIVIDEND

On the 28th August 2017, the board of MACA Limited declared a final dividend for the financial year ending 2017 of 4.5 cents per share. This payout is consistent with our targeted guideline and the Board's objective to provide a return to shareholders whilst still retaining the financial capacity to support our growth plans.

The total dividend paid during the year was $21.0 million (2016: $26.8 million).

OPERATING CASH FLOW AND CAPITAL EXPENDITURE

Operating cash flow for the 12 months ending 30 June 2017 was $68.1 million.

Capital expenditure for the financial year was $31.5 million (excluding $5.7 million in acquisitions) relating to plant and equipment associated with sustaining capital and the commencement of a mining services project. Capital equipment purchases were funded by a combination of cash and equipment finance contracts. The Company did not enter into any off balance sheet financing arrangements.

BALANCE SHEET AND GEARING

With an increase in revenue and assets employed, the Group as at 30 June 2017 remains in a strong financial position with a net cash position of $64.2 million and with cash on hand of $112.0 million.

ORDER BOOK

As at 30 June 2017 the Company had work-in-hand of $1,130 million, and an average mining contract tenure of 36 months.

OPERATIONS

Mining and Crushing

The division's revenue of $424 million represented 85% of the total Group revenue and was derived from continuing operations, the completion of 2 projects and the commencement of 3 new projects during the period.

Mining and crushing contracts by sector from July 2016 include:

Gold

▶ Mining services

Commenced	Ramelius Resources at Mount Magnet in June 2017
Continued	Regis Resources at Moolart Well Regis Resources at Garden Well Regis Resources at Rosemont Blackham Resources at Matilda Metals X at Central Murchison Beadell Resources at Tucano (Brazil, South America)
Completed	Silver Lake Resources at Mount Monger in September 2016 Doray Minerals at Andy Well in February 2017

Iron Ore

▶ Mining services and crushing and screening services

Commenced	Atlas Iron at Mt Dove in June 2017 (crushing services only)
Continued	Atlas Iron at Abydos
Completed	Atlas Iron at Wodgina in May 2017 (mining services only)

Copper

▶ Mining services

Continued	Avanco Resources at Antas (Brazil, South America)

Other Minerals

▶ Mining services

Commenced	Northern Minerals at Browns Range in June 2017
Awarded subsequent to year end	Pilbara Minerals at Pilgangoora in September 2017

Mining and crushing contracts by sector completed subsequent to June 2017 include:
Metals X at Central Murchison in August 2017

Civil and Infrastructure

The civil and infrastructure business in Western Australia has maintained its strong relationship with Main Roads by completing a number of road-works projects as the principal contractor during the period, and being awarded a Road and Asset Maintenance contract in the Kimberley region in February of 2017.

MACA also commenced the Gruyere Gold project site bulk earthworks, access roads, airstrip and tailings storage facility (TSF) works in June 2017.

In addition, MACA Civil has partnered with a local Pilbara Aboriginal company, Hicks Civil & Mining, to form Marniyarra Mining and Civil in the Karratha region of Western Australia. This operating company is 50% owned by MACA Civil and is actively promoting aboriginal employment and development in the Pilbara.

The civil and infrastructure business in Victoria has maintained its strong relationships with VicRoads and Baw Baw Shire Council plus other local government clients with continuing long term Road and Asset Maintenance contracts.

In the first half of 2017 MACA purchased the remaining 25% of the Services South East business and rebranded it to MACA Infrastructure.

MACA Civil achieved re-certification in the National pre-qualification system to R4 (restricted) level for Roads and has retained its accreditation to the Office of Federal Safety. This allows continued participation on or competing for federally funded public infrastructure projects.

Longer term Civil and Infrastructure contracts by sector from July 2016 include:

MACA Civil

Public Sector

Main Roads Department of Western Australia

Collie Lake King Road

Construct Only project - Works include all earthworks, pavements and seal work (completed in October 2016)

Fauntleroy / Great Eastern Highway intersection and approaches

Construct Only project - Works include all earthworks, pavements and seal work (completed in December 2016)

Private Sector

Gold Road Earthworks (commenced in June 2017 and due for completion in June 2018)

Site bulk earthworks, access roads, airstrip and tailings storage facility (TSF) work

Browns Range bulk earthworks

Bulk earthworks used to construct a tailings storage facility (TSF), airstrip, process plant site and internal access roads

MACA Infrastructure

Public Sector

Victoria

VicRoads (Victorian Roads Corporation) - Western Region Maintenance

Routine maintenance of pavement, shoulders, roadside areas, drainage systems and structures on arterial roads - contract ongoing to 2019

VicRoads (Victorian Roads Corporation) - East Metropolitan Region Maintenance

Routine maintenance of roadside areas of major freeways - contract ongoing to 2019

Baw Baw Shire Council - Routine Road Maintenance Services

Provision of road maintenance services for rural and urban road network including sealed and unsealed roads - ongoing to 2021

Western Australia

Kimberley Road Maintenance

Provision of routine road maintenance services for the rural road network including sealed and unsealed roads - ongoing to January 2019

MACA Interquip

In December 2016 MACA purchased 60% of Interquip, a privately owned business providing end to end processing solutions in Western Australia and the Northern Territory. The acquisition has enabled MACA to establish a Structural, Mechanical and Piping (SMP) offering within the mining industry.

Major projects to date are:

Newmont Mining - Tanami - Northern Territory

Supply and Install SMP, Electrical and Instrumentation on a new plant upgrade

Sandfire Resources - DeGrussa - Western Australia

Paste fill plant upgrade works

HEALTH, SAFETY AND ENVIRONMENT

MACA believes that strong leadership in safety is critical to our business success and underpins our philosophy that each employee has the right to return home every day safe and healthy in the same way they began the day.

Our ongoing focus on the development of new safety standard initiatives continues to be a key business driver with the goal of 'Zero Harm' underpinning every task we perform in the workplace.

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 to measure compliance against our certified Occupational Health and Safety Management Systems (AS/NZS: 4801) and Environmental Management Systems (ISO: 14001) to provide a safe workplace for our employees, contractors, clients and visitors.

The continued focus on health and safety through our audit and compliance processes has seen our Lost Time Injury Frequency Rate (LTIFR) at zero to June 2017 and other safety metrics remain well below industry benchmarks.

Efforts this year have resulted in a reduction in the number of injuries with the Total Recordable Injury Frequency Rate (TRIFR) reducing by 34% to 7.8 per million man-hours worked.

QUALITY MANAGEMENT

MACA Mining and MACA Civil secured re-certification and MACA Infrastructure secured certification until April 2018 for their Quality Management Systems (ISO: 9001) during the year and continues to develop their systems to support growth through continual measurement and review.

HUMAN RESOURCES

The Group's Australian operations personnel have increased mainly through the acquisition of businesses within the last year, and the Brazilian operations have remained stable.

The number of employees and contractors within the Group workforce worldwide stand at 1,540 - an increase of 29% at the corresponding period last year.

The Group retains a core of highly experienced long serving employees (+ 5 years' and 10 years' service) that form the backbone of the Company which it relies on to concentrate our efforts to remain efficient and competitive. Imperative to our business success is the skills and experience of our people and their ability to work in a safe and productive manner. Our hands on, CAN DO approach is what makes us different to other contractors. Central to our success is our people, focus on business improvement and exceeding client expectations.

MACA continues to implement a number of Learning and Development programs to enhance the performance and engagement of our people. Leadership development programs, apprenticeships, traineeships, mining and civil graduate programs, and the ongoing upskilling of our people ensures we are able to successfully meet future business challenges.

MACA continues to adopt a proactive approach to promote and foster workplace diversity and equal opportunity for our people. We take a zero tolerance position to any form of workplace discrimination and harassment. Policies and programs are in place to deliver on our commitment to diversity, equal opportunity and harassment.

INDIGENOUS EMPLOYMENT

MACA is fully committed to providing direct employment to Indigenous Australians. Our Indigenous Employment Program is centered around affording Indigenous Australians equal opportunity to access jobs, skills development and career prospects. We aim to play our part in enhancing the lives of Indigenous Australians where we can.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

COMMUNITY

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

MACA is the 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 continues in the current year with MACA employees and stakeholders united in their efforts to raise in excess of $1.3M with around 270 participating riders for this year's event – an event that we have been involved with for 6 years now.

During the year MACA continued its long-term association with the Hawaiian Ride for Youth raising funds and awareness for mental health, and 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 Hawaiian Ride for Youth and the West Australian Symphony Orchestra (WASO).

In closing, MACA highly values its hard working, dedicated and loyal employees. The Board would like to extend its thanks to them and all of our stakeholders who remain an integral part of our success.

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 2017.

DIRECTORS

The following persons were directors of MACA Limited during the whole year and up to the date of this report:

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

Mr Christopher Mark Tuckwell (Chief Executive Officer and Managing Director)

Mr Geoffrey Alan Baker (Executive Director)

Mr Linton John Kirk (Non-executive Director)

Mr Robert Neil Ryan (Non-executive Director)

PRINCIPAL ACTIVITIES AND ANY SIGNIFICANT CHANGES IN NATURE

The principal activities of the Group during the financial year were in three businesses and two geographical segments being the provision of contract mining services, civil contracting services and mineral processing services throughout Australia, and contract mining services in Brazil, South America.

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:

	2017	2016
	cps	cps
Interim dividend declared and paid per ordinary share	4.5	4.0
Final dividend declared and paid per ordinary share	4.5	4.5

The final fully franked dividend was paid on 22nd September 2017.

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.

	FY2017 $'M	FY2016 $'M	Change	
Revenue	$497.9	$431.4	15%	▲
EBITDA	$99.2	$90.7	9%	▲
EBIT	$46.4	$34.3	35%	▲
Net Profit before tax	$44.1	$33.6	31%	▲
Net Profit after tax	$32.1	$24.2	33%	▲
Contracted Work in Hand	$1,130	$1,160	2%	▼
Operating Cashflow	$68.1	$64.1	6%	▲
Dividend per share (fully franked)	9 cents	8.5 cents	32%	▲
Basic earnings per share	13.7 cents	10.4 cents	6%	▲

ENVIRONMENTAL ISSUES

MACA 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 period MACA gained control of the following entities:

- Interquip Pty Ltd (and its subsidiaries)

EVENTS SUBSEQUENT TO BALANCE DATE

After balance date events include the following:

- MACA has been awarded the mining services contract for Pilbara Minerals Limited at the Pilgangoora Lithium-Tantalum project
- The Company raised a further $60.2 million through a share placement to institutional and professional investors in early September 2017

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

Name:	Mr Andrew Edwards
Title:	Independent Non-executive Chairman
Qualifications:	B Com, FCA, SF Finsia, FAICD
Experience and expertise:	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 a state councillor of that Institute.
Current directorships:	Mr Edwards has been a board member of MACA Limited since 10th November 2010. Mr Edwards is currently a Non-executive Director of MMA Offshore Limited (appointed December 2009) and Nido Petroleum Limited (appointed December 2009) (delisted from ASX June 2017).
Former directorships (in last 3 years):	Nil
Special responsibilities:	Mr Edwards is currently a member of the Board's Remuneration Committee, Audit Committee and Risk Committee.
Interest in shares:	20,000

Name:	Mr Chris Tuckwell
Title:	Chief Executive Officer and Managing Director
Qualifications:	B Eng (Construction) MAICD
Experience and expertise:	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 32 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.
Current directorships:	Mr Tuckwell has been a board member of MACA Limited since 4th August 2014.
Former directorships:	Mr Tuckwell was a board member of MACA Limited from 10th November 2010 to 25th July 2012.
Special responsibilities:	Mr Tuckwell is currently a member of the Board's Risk Committee.
Interest in shares:	612,500
Interest in Performance Rights:	712,991 74,064 vested not yet issued

Name:	Mr Geoff Baker
Title:	Executive Director
Qualifications:	MAICD
Experience and expertise:	Mr Baker is a founding shareholder of MACA. Geoff is responsible for planning, operating strategy, capital expenditure and delivery of safety and financial outcomes for the business. Mr Baker has worked in the sector for 38 years focusing on plant maintenance and asset management.
Current directorships:	Mr Baker has been a board member of MACA Limited since 10th November 2010.
Former directorships (in last 3 years):	Nil
Special responsibilities:	Mr Baker is currently a member of the Board's Risk Committee.
Interest in shares:	12,500,000
Interest in Performance Rights:	579,292

Name:	Mr Linton Kirk
Title:	Independent Non-executive Director
Qualifications:	B Eng (Mining) FAusIMM (CP) GAICD
Experience and expertise:	Mr Kirk has over 35 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 Charted Professional of the Australian Institute of Mining and Metallurgy and is a graduate of the Australian Institute of Company Directors.
Current directorships:	Mr Kirk has been a board member of MACA Limited since 1st October 2012.
Former directorships (in last 3 years):	Mr Kirk was a Non-executive Director of Middle Island Resources from September 2011 to July 2016.
Special responsibilities:	Mr Kirk is currently the Chair of the Board's Audit Committee and Risk Committee and a member of the Remuneration Committee.
Interest in shares:	50,000

Name:	Mr Robert Ryan
Title:	Independent Non-executive Director
Qualifications:	MIEAust MAICD
Experience and expertise:	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.
Current directorships:	Mr Ryan has been a board member of MACA Limited since 18th August 2015.
Former directorships (in last 3 years):	Nil
Special responsibilities:	Mr Ryan is currently the Chair of the Board's Remuneration Committee and member of the Audit Committee and Risk Committee.
Interest in shares:	18,604

Company Secretary

Name:	Mr Peter Gilford
Title:	Chief Financial Officer / Company Secretary
Qualifications:	B Com, CA
Experience and expertise:	Mr Gilford has over 16 year's 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 10 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 30th June 2017 were as follows:

	Directors' Meetings		Committee Meetings					
			Audit		Remuneration		Risk	
	Number eligible to attend	Number attended	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	3	3
Chris Tuckwell	6	6	-	-	-	-	3	3
Geoff Baker	6	6	-	-	-	-	3	3
Linton Kirk	6	6	2	2	2	2	3	3
Robert Ryan	6	6	2	2	2	2	3	3

REMUNERATION REPORT

The audited remuneration report is set out on pages 19 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 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 CI 2016/191 ROUNDING OF AMOUNTS

The Company is an entity to which ASIC CI 2106/191 Rounding of Amounts 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 33 and forms part of the directors' report for the financial year ended 30 June 2017.

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 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 industry sectors in which we operate encounters 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 resources and civil sectors. 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 and having a proportion of equipment and labour on hire.

ORDER BOOK RISK

Generally in the mining industry, most contracts can be terminated for convenience by the client at short notice and without penalty, with the client 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.

BUSINESS ACQUISITIONS

When MACA acquires a business there is a risk of not being able to realise or sustain expected benefits of the acquisition. The goodwill represents the amounts paid for the business, less the fair value of the net assets acquired. MACA, at least annually, reviews the carrying value of goodwill and may incur impairment charges related to goodwill if the businesses or markets they serve deteriorate. In addition, businesses that MACA acquires may have liabilities that MACA was unaware of in the course of performing due diligence investigations. Any such liabilities may have material adverse impact on MACA's business and financial position. As part of the due diligence process, MACA thoroughly reviews all contracts to mitigate the risk of acquiring onerous contracts and change in control provisions, and historic liabilities and integration 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 a 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 some of the US dollar currency risk. Currently the company has unhedged exposure to the Brazilian Real.

Other material risks that could affect MACA include:

- public liability risk incurred maintaining road assets requiring identified defects to be closed out within a specified time frame
- 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 country specific adverse 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
- foreign exchange rates and interest rates in the ordinary course of business, and
- loss of key Board, management or operational personnel.

OUTLOOK

Whilst market conditions have remained challenging in Western Australia, we are experiencing a noticeable improvement in both mining activity and investor sentiment towards the sector. MACA believes it is well placed to benefit from the continuation of this recovery.

The Company similarly expects to benefit from its recent investments in its expanded civil and infrastructure operations in Victoria through increased spending on road and asset management and maintenance services within the private sector and its acquisition of an end to end mineral processing solution provider.

MACA's strong operational performance and relationships with its clients continues to generate opportunities for growth. MACA is focused on continuing to deliver its services to clients whilst maintaining the ongoing commitment to its people, their safety and the culture that has made the business successful to date.

MACA has a strong work in hand position at $1.13 billion as at 30 June 2017 and a solid balance sheet to facilitate further growth in the business. At this stage, the Company expects revenue for FY2018 to increase from the current year to be approximately $560 million.

MACA continues to selectively identify opportunities and is well positioned to deliver growth of its quality services to clients in the sectors in which it operates.

REMUNERATION REPORT – AUDITED

Section	Title	Description
Section 1	Introduction	Outlines the scope of the Remuneration Report and the individuals disclosed.
Section 2	Remuneration Governance	Describes the role of the board, the Remuneration Committee and matters considered (including external advice) when making remuneration decisions.
Section 3	2017 Executive remuneration framework and improvements	Outlines the 2017 remuneration framework and changes to remuneration plans.
Section 4	Company performance and the link to remuneration	The outcomes of the key business metrics and hurdles that are used for measuring variable pay outcomes.
Section 5	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.
Section 6	Executive contracts	Appointments and notice periods for current and former Key Management Personnel.
Section 7	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 2017 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
Directors - Non-executive		
Andrew Edwards	Non-executive Chairman	Full year
Linton Kirk	Non-executive Director	Full Year
Robert Ryan	Non-executive Director	Full Year
Directors - Executive		
Chris Tuckwell	Chief Executive Officer / Managing Director	Full year
Geoff Baker	Operations Director	Full year
Executives		
Tim Gooch	General Manager - Mining	Full year
Mitch Wallace	General Manager - Brazil Operations	Full year
Mark Davidovic	General Manager - Civil	Appointed effective 20th February 2017
David Greig	General Manager - Business Development	Appointed effective 18th July 2016
David Kent	General Manager - Corporate Services	Appointed effective 1st November 2016
Peter Gilford	Chief Financial Officer / Company Secretary	Full year
Former KMP		
Maurice Dessauvagie	General Manager - Civil	Replaced effective 20th February 2017

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.

A decision to reduce executive salaries with effect from 1 June 2015 in recognition of current market conditions was introduced and continued until 31 December 2016. From January 1 2017 there has been an uplift to all executive salaries of 3% to the reduced salary levels in line with CPI.

3 2017 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)**
◦ TFR takes into account similar positions in peer companies, length of service, experience and contribution ◦ Peer companies are those with broadly similar revenue and in related industries ◦ TFR is reviewed annually	Financial metrics comprise some or all of: ◦ Net profit after tax - company ◦ Earnings per share Non-financial metrics comprise some or all of: ◦ Safety indicators - LTI and TRIFR ◦ Personal performance ◦ Maximum STI is 15 - 25% of TFR depending on the individual	◦ Relative TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI) measured over a 3 year period (100% component) ◦ Number of performance rights issued up to 25% of fixed annual remuneration divided by the independently assessed value of a performance right

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 Board believes these KPIs are aligned to Shareholder wealth and returns to investors.

	2017	2016	2015	2014	2013	2012
Reported net profit/(loss) attributable to equity holders of the parent ($m)	31.2	24.2	54.4	55.4	49.5	37.7
Reported return on equity (%)	11.6	9.5	21.7	22.5	23.3	23.7
Reported basic earnings per share (cents)	13.7	10.4	24	30.3	31.5	25.1
Long term injury frequency rate (LTIFR)	0	0	0	0	2	0
Total recordable injury frequency rate (TRIFR)	7.8	13.7	14.8	15.3	15.9	-
Shareholders' Wealth						
Interim dividend declared (cents)	4.5	4.0	7	6.5	4.5	3.5
Final dividend declared (cents)	4.5	4.5	7.5	7.5	5.5	4.5
Special dividend declared (cents)	-	-	25	30	-	-
Share price at 30 June (cents)	165	126	77	185	177	225
Total shareholder return (TSR %) [1]	38.1	74.6	(37.0)	28.2	(17.3)	(5.5)
3 year Annual Compound TSR	6.6	8	(9.0)	10.3	-	-

[1] All dividends in the TSR (Total Shareholder Return) calculation are on a 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 reduced their base salaries by 5 to 10% dependent on position from the 1st June 2015. These levels were held for 18 months to December 2016 and were reviewed at that time. A decision was made to increase these salaries by 3% of the reduced base levels as of January 2017. Prior to this executive remuneration increases were in line with CPI other than where there were changes in role, responsibility 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) is $664,630 per annum inclusive of superannuation plus the use of a company motor vehicle.

- 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 40% for key financial KPI's, 30% for safety KPI's and 30% for personal KPI's. The financial KPIs comprise Net Profit after Tax and Earnings per Share growth. The safety KPIs are based on the Long Term Injury Frequency Rate (LTIFR) and the Total Recordable Injury Frequency Rate (TRIFR).

There was an STI payable for Mr Tuckwell for 2017 as some KPI's 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 2016 Annual General Meeting the Board sought and received approval for the grant of 268,254 Performance Rights pursuant to the Company's Performance Rights Plan (PRP). Subject to the relevant performance hurdles being met, these may vest in June 2019.

5.2 Total Fixed Remuneration (TFR)

All Executives received TFR as outlined in page 27 of this report. TFR comprises base salary and superannuation plus the use of a company motor vehicle or motor vehicle allowance.

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		
Objective	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.	
Eligibility	All executive key management personnel.	
At risk payments	**2016**: During the financial year the STI plan was suspended for all executives	
		% of TFR paid on Target Achievement
	CEO	0%
	Executive Directors	0%
	Other Executive KMP	0%
	2017: During the financial year the STI plan was suspended for all executives to December 2016. The STI plan was reinstated as of January 2017.	
		% of TFR paid on Target Achievement
	CEO	12.5% (6 months)
	Executive Directors	12.5% (6 months)
	Other Executive KMP	7.5% (6 months)
Performance conditions	**2016**: KPIs are set for the Group, and Business division (where relevant) – the KPI Program was put on hold for all Executives for the full year 2016.	
	2017: KPIs are set for the Group, and Business division (where relevant) – the KPI Program was put on hold for all Executives during the financial year to December 2016 and was then reinstated as of January 2017. Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders. KPIs for the CEO and Executive Directors include Earning per Share (EPS), Net Profit after Tax (NPAT), Long Term Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR) and personal assessment. 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.	
Setting of KPIs	**2016**: Suspended.	
	2017: Financial and safety targets are all agreed with the Board and personal KPIs are set in consultation with the relevant Executive.	
Assessment of KPIs	**2016**: Suspended.	
	2017: Performance is measured quantitatively against key targets over the 6 month period at year end.	
Trigger for payment	**2016**: Suspended.	
	2017: 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.	
Cessation of employment	**2016**: Suspended.	
	2017: 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.	

5.4 STI Outcomes

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

	$
Chris Tuckwell	
Managing Director / Chief Executive Officer	70,671
Geoff Baker	
Operations Director	56,142
Tim Gooch	
General Manager - Mining	28,211
Mitch Wallace	
General Manager - Brazil Operations	29,062
Mark Davidovic	
General Manager - Civil and Infrastructure	11,256
David Greig	
General Manager - Business Development	26,536
David Kent	
General Manager - Corporate Services	26,536
Peter Gilford	
Chief Financial Officer / Company Secretary	24,234
Former KMP	
Maurice Dessauvagie	
Replaced as General Manager - Civil and Infrastructure effective 20th February 2017.	

5.5 Long-Term Incentive Plan (LTI Plan)

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

LTI Plan		
Overview of the LTI Plan	The Plan offers Executive 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.	
Objective	The Plan is designed to assist with Executive and KMP retention and to incentivise employees to maximise returns and earnings for Shareholders.	
Eligibility	Executive KMP as determined by the Board.	
At risk payments	**2016**: The LTI is a component of ‘at risk’ pay offered to Executive KMP. The number of performance rights issued will depend on performance against predetermined KPIs with vesting occurring upon reaching those hurdles. The number of performance rights that vest is linked primarily to Company performance.	
		% of TFR applied in LTI
	CEO	25%
	Executive Directors	25%
	Other Executive KMP	20%
	2017: No changes	
		% of TFR applied in LTI
	CEO	25%
	Executive Directors	25%
	Other Executive KMP	20%

LTI Plan (cont)	
Performance conditions	**2016**: KPIs are set for the Group (where relevant). Each KPI is weighted according to its importance in driving profitable performance and returns to Shareholders. KPIs for the CEO, Executive Directors and other Executive KMP comprise 100% against a Total Shareholder Return (TSR) using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI) measured over a 3 year period.
	2017: No changes
TSR Comparator Group	**2016**: Assessed 100% against TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI).
	2017: No changes.
Assessment of KPIs	**2016**: Performance is measured quantitatively and progress against key targets reported at full year.
	2017: No changes.
Trigger for vesting	**2016**: Assessed 100% against TSR using a benchmark index namely the S&P/ASX Small Ordinaries Accumulation Index (XSOAI). The Board has discretion to not approve the vesting of the rights if the TSR is negative.
	2017: No changes.
Cessation of employment	**2016**: LTI forfeited if an Executive resigns or is terminated before the payment date. In exceptional circumstances this may be reviewed by the Board.
	2017: No changes.

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 2017 no options were held by KMP.

5.8 KMP performance rights

As at 30 June 2017, MACA had 1,486,053 performance rights issued and outstanding. These rights were granted during the 2017 financial year to KMP under the Group's Performance Rights Plan and, subject to the achievement of designated performance hurdles, will vest in June 2018.

During the 2017 financial year a further 1,196,083 performance rights were granted under the Group’s Performance Rights Plan as set out in the table below and are intended to be issued after the end of the financial year and 407,770 performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2019 (2016:1,955,782). On 16 November 2016 shareholders approved the issue of 268,254 performance rights to the Managing Director Mr Chris Tuckwell and 215,476 performance rights to the Operations Director Mr Geoff Baker. As at 30 June 2017 there were 2,528,307 performance rights outstanding of which 1,486,053 had been issued.

5.8 KMP performance rights (cont)

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

30 June 2017	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 and exercisable	Vested and un-exercisable	Unvested at end of year
Chris Tuckwell Managing Director / Chief Executive Officer	628,017	268,254	-	-	896,271	(74,064)	(109,216)	712,991
Geoff Baker Executive Director	363,816	215,476	-	-	579,292	-	-	579,292
Tim Gooch General Manager - Mining	437,214	146,261	(68,939)	(22,980)	491,556	(43,021)	(60,824)	387,711
Mitch Wallace General Manager - Brazil Operations	419,734	150,310	(54,316)	(18,105)	497,623	(40,343)	(57,038)	400,242
Maurice Dessauvagie [1] General Manager - Civil and Infrastructure	458,168	153,829	(73,118)	(432,142)	106,737	(44,020)	(62,717)	-
Mark Davidovic [2] General Manager - Civil and Infrastructure	-		-	-	-	-	-	-
David Greig [3] General Manager - Business Development	-	136,556	-	-	136,556	-	-	136,556
David Kent [4] General Manager - Corporate Services	-		-	-	-	-	-	-
Peter Gilford Chief Financial Officer / Company Secretary	263,018	125,397	-	-	388,415	(31,858)	(45,042)	311,515
Hugh (Andrew) Edwards Chairman	-	-	-	-	-	-	-	-
Linton Kirk Non-executive Director	-	-	-	-	-	-	-	-
Robert Ryan Non-executive Director	-	-	-	-	-	-	-	-
Total	2,569,967	1,196,083	(196,373)	(473,227)	3,096,450	(233,306)	(334,837)	2,528,307

[1] Maurice Dessauvagie - replaced as General Manager - Civil and Infrastructure effective 20th February 2017.

[2] Mark Davidovic - appointed as General Manager - Civil and Infrastructure effective 20th February 2017.

[3] David Greig - appointed as General Manager - Business Development effective 18th July 2016.

[4] David Kent - appointed as General Manager - Corporate Services effective 1st November 2016.

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 2017	Balance at beginning of year	Granted as remuneration	Increase other	Issued on exercise of rights during the year	Other changes during the year	Balance at end of year
Chris Tuckwell						
Managing Director / Chief Executive Officer	612,500	-	-	-	-	612,500
Geoff Baker						
Executive Director	15,000,000	-	-	-	(2,500,000)	12,500,000
Tim Gooch						
General Manager - Mining	-	-	-	68,939	(68,939)	-
Mitch Wallace						
General Manager - Brazil Operations	100,000	-	-	54,318	(154,318)	-
Maurice Dessauvagie						
General Manager - Civil and Infrastructure	20,000	-	-	73,118	(73,118)	20,000
Mark Davidovic						
General Manager - Civil and Infrastructure	0	-	-	-	-	-
David Greig						
General Manager - Business Development	0	-	-	-	-	-
David Kent						
General Manager - Corporate Services	0	-	-	-	-	-
Peter Gilford						
Chief Financial Officer	27,500	-	-	-	-	27,500
Hugh (Andrew) Edwards						
Chairman	20,000	-	-	-	-	20,000
Linton Kirk						
Non-executive Director	50,000	-	-	-	-	50,000
Robert Ryan						
Non-executive Director	18,604	-	-	-	-	18,604
Total	15,848,604	-	-	196,375	(2,796,375)	13,248,604

5.10 KMP remuneration

5.10.1 Employment benefits and payments for the year ended 30 June 2017

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.

		Short-term benefits					Post-employment benefits		Long-term benefits		Equity-settled share-based payments		
		Salary, fees and leave	Committee fees	Cash bonus/STI	Non-monetary	Other	Superannuation	Other	Incentive plans	LSL	Share / Units	Options / Rights	Total
	Year	$	$	$	$	$	$	$	$	$	$	$	$
Executive Directors													
Chris Tuckwell	2017	628,165	-	70,671	-	41,836	25,000	-	-	-	-	145,996	911,668
Managing Director / Chief Executive Officer	2016	621,939	-	-	-	29,671	30,192	-	-	-	-	77,552	759,354
Geoff Baker	2017	559,080	-	56,142	-	-	-	-	-	-	-	91,333	706,555
Operations Director	2016	543,000	-	-	-	-	-	-	-	-	-	36,100	579,100
Total compensation for Executive Directors	**2017**	**1,187,245**	**-**	**126,813**	**-**	**41,836**	**25,000**	**-**	**-**	**-**	**-**	**237,329**	**1,618,223**
	2016	**1,164,939**	**-**	**-**	**-**	**29,671**	**30,192**	**-**	**-**	**-**	**-**	**113,652**	**1,338,454**
Non-executive Directors													
Andrew Edwards	2017	141,552	-	-	-	-	13,447	-	-	-	-	-	154,999
Chairman	2016	144,139	-	-	-	-	13,693	-	-	-	-	-	157,832
Linton Kirk [1]	2017	91,370	-	-	-	-	7,846	-	-	-	-	-	99,216
	2016	117,787	-	-	-	-	7,951	-	-	-	-	-	125,738
Robert Ryan [2]	2017	131,962	-	-	-	-	-	-	-	-	-	-	131,962
	2016	152,259	-	-	-	-	-	-	-	-	-	-	152,259
Total compensation for Non-executive Directors	**2017**	**364,884**	**-**	**-**	**-**	**-**	**21,293**	**-**	**-**	**-**	**-**	**-**	**386,177**
	2016	**414,185**	**-**	**-**	**-**	**-**	**21,644**	**-**	**-**	**-**	**-**	**-**	**435,829**

		Short-term benefits					Post-employment benefits		Long-term benefits		Equity-settled share-based payments		
		Salary, fees and leave	Committee fees	Cash bonus/STI	Non-monetary	Other	Superannuation	Other	Incentive plans	LSL	Share / Units	Options / Rights	Total
	Year	$	$	$	$	$	$	$	$	$	$	$	$
Executives (KMP)													
Tim Gooch	2017	397,893	-	28,211	-	21,085	37,800	-	-	-	-	80,183	565,172
General Manager - Mining	2016	393,362	-	-	-	12,955	39,621	-	-	-	-	97,620	543,558
Mitch Wallace	2017	427,930	-	29,062	-	6,388	20,769	-	-	-	-	80,932	565,081
General Manager - Brazil Operations	2016	454,821	-	-	-	6,370	33,928	-	-	-	-	85,674	580,793
Maurice Dessauvagie [3]	2017	287,774	-	-	-	-	25,786	-	-	-	-	83,880	397,440
General Manager - Civil and Infrastructure	2016	440,125	-	-	-	-	39,437	-	-	-	-	102,703	582,265
Mark Davidovic [4]	2017	191,769	-	11,256	-	-	13,805	-	-	-	-	-	216,830
General Manager - Civil and Infrastructure	2016	-	-	-	-	-	-	-	-	-	-	-	-
David Greig [5]	2017	395,000	-	26,536	-	-	35,150	-	-	-	-	28,677	485,363
General Manager - Business Development	2016	-	-	-	-	-	-	-	-	-	-	-	-
David Kent [6]	2017	256,944	-	26,536	-	-	22,885	-	-	-	-	-	306,365
General Manager - Corporate Services	2016	-	-	-	-	-	-	-	-	-	-	-	-
Peter Gilford	2017	345,180	-	24,234	-	25,643	29,956	-	-	-	-	63,893	488,906
Chief Financial Officer / Company Secretary	2016	317,046	-	-	-	25,896	28,877	-	-	-	-	32,491	404,310
Total compensation for Executives	**2017**	**2,302,490**	**-**	**145,835**	**-**	**53,116**	**186,151**	**-**	**-**	**-**	**-**	**337,565**	**3,025,157**
	2016	**1,605,354**	**-**	**-**	**-**	**45,221**	**141,863**	**-**	**-**	**-**	**-**	**318,488**	**2,110,926**

5.10 KMP remuneration (cont)

Former KMP													
Jeremy Connor [7]	2017	-	-	-	-	-	-	-	-	-	-	-	-
General Manager - Business Development	2016	307,326	-	-	-	-	21,512	-	-	-	-	38,834	367,672
Total compensation for former KMP	**2017**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016	**307,326**	**-**	**-**	**-**	**-**	**21,512**	**-**	**-**	**-**	**-**	**38,834**	**367,672**
Total compensation for KMP	**2017**	**3,854,619**	**-**	**272,648**	**-**	**94,952**	**232,444**	**-**	**-**	**-**	**-**	**574,894**	**5,029,557**
	2016	**3,491,804**	**-**	**-**	**-**	**74,892**	**215,211**	**-**	**-**	**-**	**-**	**470,974**	**4,252,881**

[1] Linton Kirk was engaged on a contract basis through his business Kirk Mining Consultants to perform consulting work. The engagement was charged at hourly rates and is included in the amount of salary and fees above.

[2] Robert Ryan was engaged on a contract basis through his business Hensman Properties to perform consulting work in business development. The engagement was charged at hourly rates and is included in the amount of salary and fees above.

[3] Maurice Dessauvagie - replaced as General Manager - Civil and Infrastructure effective 20th February 2017.

[4] Mark Davidovic - appointed as General Manager - Civil and Infrastructure effective 20th February 2017.

[5] David Greig - appointed as General Manager - Business Development effective 18th July 2016.

[6] David Kent - appointed as General Manager - Corporate Services effective 1st November 2016.

[7] Jeremy Connor - resigned as General Manager - Business Development effective 1st April 2016.

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.

		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
	Year	%	%	%	%	%
Executive Directors						
Chris Tuckwell	2017	7.8	-	16.0	76.2	100.0
Managing Director / Chief Executive Officer	2016	-	-	10.2	89.8	100.0
Geoff Baker	2017	7.9	-	12.9	79.1	100.0
Operations Director	2016	-	-	6.2	93.8	100.0
Non-executive Directors						
Andrew Edwards	2017	-	-	-	100.0	100.0
Chairman	2016	-	-	-	100.0	100.0
Linton Kirk	2017	-	-	-	100.0	100.0
	2016	-	-	-	100.0	100.0
Robert Ryan	2017	-	-	-	100.0	100.0
	2016	-	-	-	100.0	100.0
Executives (KMP)						
Tim Gooch	2017	5.0	-	14.2	80.8	100.0
General Manager - Mining	2016	-	-	18.0	82.0	100.0
Mitch Wallace	2017	5.1	-	14.3	80.5	100.0
General Manager - Brazil Operations	2016	-	-	14.8	85.2	100.0
Maurice Dessauvagie [1]	2017	-	-	21.1	78.9	100.0
General Manager - Civil and Infrastructure	2016	-	-	17.6	82.4	100.0
Mark Davidovic [2]	2017	5.2		-	94.8	100.0
General Manager - Civil and Infrastructure	2016			-	100.0	100.0
David Greig [3]	2017	5.5	-	5.9	88.6	100.0
General Manager - Business Development	2016	-	-	-	100.0	100.0
David Kent [4]	2017	8.7		-	91.3	100.0
General Manager - Corporate Services	2016			-	100.0	100.0
Peter Gilford	2017	5.0	-	13.1	82.0	100.0
Chief Financial Officer / Company Secretary	2016	-	-	8.0	92.0	100.0

5.10.2 Employment details of members of key management personnel and other executives (cont)

		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
	Year	%	%	%	%	%
Former KMP						
Jeremy Connor [5]	2017	-	-	-	-	-
General Manager - Business Development	2016	-	-	10.6	89.4	100.0

[1] Maurice Dessauvagie - replaced as General Manager - Civil and Infrastructure effective 20th February 2017.

[2] Mark Davidovic - appointed as General Manager - Civil and Infrastructure effective 20th February 2017.

[3] David Greig - appointed as General Manager - Business Development effective 18th July 2016.

[4] David Kent - appointed as General Manager - Corporate Services effective 1st November 2016.

[5] Jeremy Connor - resigned as General Manager - Business Development effective 1st April 2016.

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
Chris Tuckwell Managing Director / Chief Executive Officer	4th 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
Geoff Baker Operations Director	3rd 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
Tim Gooch General Manager - Mining	20th 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
Mitch Wallace General Manager - Brazil Operations	3rd 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
Maurice Dessauvagie General Manager - Civil and Infrastructure	10th June 2013 Replaced as General Manager - Civil and Infrastructure on 20th February	The contract can be terminated by either party with 3 months' notice or payment in lieu
Mark Davidovic General Manager - Civil and Infrastructure	20th February 2017 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
David Greig General Manager - Business Development	18th July 2016 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
David Kent General Manager - Corporate Services	1st November 2016 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
Peter Gilford Chief Financial Officer / Company Secretary	23rd 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

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, other than for the Chairman (no change), were increased by 3% with effect from 20th April 2017 in line with KMP increases.

Non-executive Directors	$ / Chairman	Member
Andrew Edwards	$155,000	Audit Committee
	Board	Risk Committee
		Remuneration Committee
Linton Kirk	$92,700	Remuneration Committee
	Audit Committee	
	Risk Committee	
Robert Ryan	$92,700	Audit Committee
	Remuneration Committee	Risk committee

8 Other transactions with key management persons and / or related parties

Key management person and/or related party	Transaction	2017 $	2016 $
Partnership comprising entities controlled by current director Mr G Baker and former directors Mr R Williams, Mr J Moore, Mr D Edwards and Mr F Maher.	Expense - Rent on Division St Business premises.	1,589,382	1,530,560
Kirk Mining Consultants - a company controlled by current director Mr L Kirk.	Expense - Consulting fees	8,780	37,070
Hensman Properties Pty Ltd - a company controlled by current director Mr R. Ryan.	Expense - Consulting fees	41,962	74,498
Gateway Equipment Parts & Services Pty Ltd - a company controlled by current director Mr G Baker and former directors Mr D Edwards, Mr F Maher and Mr J Moore.	Expense - Hire of equipment and purchase of equipment, parts and services.	1,922,082	894,052
Gateway Equipment Parts & Services Pty Ltd - a company controlled by current director Mr G Baker and former directors Mr D Edwards, Mr F Maher and Mr J Moore.	Revenue - Sale of equipment	-	320,320
Alliance Contracting Pty Ltd: Mr G Baker was a 15% shareholder in Alliance Contracting Pty Ltd.	Acquisition of 100% of equity on 31 January 2016	-	4,703,253

8 Other transactions with key management persons and / or related parties (cont)

Key management person and/or related party	Transaction	2017 $	2016 $
Amounts payable at year end arising from the above transactions (Receivables Nil)			
Gateway Equipment Parts & Services Pty Ltd - a company controlled by current director Mr G Baker and former directors Mr D Edwards, Mr F Maher and Mr J Moore.		110,000	21,330

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

28th day of September 2017

Perth

AUDITOR'S INDEPENDENCE DECLARATION

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 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.

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of September 2017.

CORPORATE GOVERNANCE STATEMENT – CHECKLIST

The Board of MACA Limited is committed to ensuring that the Company's obligations and responsibilities to its 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, Continuous Improvement and Community. We believe that 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 (3rd Edition); and
- The reasons for any departures from the Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd 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. There were no departures during the year. 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.			
Principle 1 – Lay solid foundations for management and oversight			
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:	1.1	
	(a) the respective roles and responsibilities of its board and management; and	Board Charter (website)	✓
	(b) those matters expressly reserved to the board and those delegated to management.		✓
1.2	A listed entity should:	1.2	
	(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and	Board Charter (website)	✓
	(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.		✓
1.3	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:	1.5	
	(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;	Cultural Diversity Policy (website) Disclosure - Diversity Procedure (website)	✓
	(b) disclose that policy or a summary of it; and		✓
	(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;		✓
	(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 (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		✓
1.6	A listed entity should:	1.6	
	(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	Disclosure - Performance Evaluation (website)	✓
	(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		✓
1.7	A listed entity should:	1.7	
	(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	Disclosure - Performance Evaluation (website)	✓
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		✓
Principle 2 – Lay solid foundations for management and oversight			
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:	2.1	
	(a) have a nomination committee which:	Board Charter (website)	
	(1) has at least three members, a majority of whom are independent directors; and		✓
	(2) is chaired by an independent director,	Nomination Committee Charter (website)	✓
	and disclose:		
	(3) the charter of the committee;		✓
	(4) the members of the committee; and		✓

ASX Corporate Governance Council's Principles and Recommendations		CG statement reference	Compliance
	(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 nomination committee, disclose the 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.		✓ ✓
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	✓
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; and (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 (c) the length of service of each director.	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)	✓
Principle 3 – Act ethically and responsibly			
A listed entity should act ethically and responsibly.			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	3.1 Corporate Code of Conduct (website)	✓ ✓
Principle 4 – Safe guard integrity in corporate reporting			
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: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not chair of the board, and disclose:	4.1 Audit Committee Charter (website)	✓ ✓

ASX Corporate Governance Council's Principles and Recommendations		CG statement reference	Compliance
	(3) the charter of the committee;		✓
	(4) the relevant qualifications and experience of the members of the committee; and		✓
	(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		✓
	(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.		
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	✓
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	✓
Principle 5 – Make timely and balanced disclosure			
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 :	5.1	
	(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and	Disclosure - Continuous Disclosure (website)	✓
	(b) disclose that policy or a summary of it.		✓
Principle 6 – Respect the rights of security holders			
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)	✓

ASX Corporate Governance Council's Principles and Recommendations		CG statement reference	Compliance
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)	✓
Principle 7 – Recognise and manage risk			
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:	7.1	
	(a) have a committee or committees to oversee risk, each of which:	Risk Committee Charter (website)	
	(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.		
7.2	The board or a committee of the board should:	7.2	
	(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	Disclosure - Risk Management (website)	✓
	(b) disclose, in relation to each reporting period, whether such a review has taken place.		✓
7.3	A listed entity should disclose:	7.3	
	(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.		✓
7.4	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	✓

ASX Corporate Governance Council's Principles and Recommendations		CG statement reference	Compliance
Principle 8 – Remunerate fairly and responsibly			
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;	8.1 Remuneration Committee Charter (website) Remuneration Report	✓ ✓ ✓
	(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.		✓ ✓
8.2	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	✓ ✓

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
Revenue	2	497,922	431,424
Other income	2	23,906	17,837
Direct costs		(456,406)	(394,978)
Finance costs		(3,813)	(2,558)
Share based payment expense		(103)	(277)
Foreign exchange losses		(1,584)	(85)
Other expenses from ordinary activities		(15,814)	(17,721)
Profit before income tax	3	44,108	33,642
Income tax expense	4	(12,915)	(9,411)
Profit for the year		31,193	24,231
Other comprehensive income:			
Exchange differences on translating foreign operations		(1,829)	2,428
Fair value gains/(loss) on available-for-sale financial assets, net of tax		806	203
Total comprehensive income for the year		30,170	26,862
Profit / (loss) attributable to:			
- Non-controlling interest		(864)	67
- Members of the parent entity		32,057	24,164
		31,193	24,231
Total comprehensive income attributable to:			
- Non-controlling interest		(864)	67
- Members of the parent entity		31,034	26,795
		30,170	26,862
Earnings per share:			
- Basic earnings per share (cents)	9	13.72	10.44
- Diluted earnings per share (cents)	9	13.62	10.41

The accompanying notes form part of these financial accounts

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Note	2017 $'000	2016 $'000
CURRENT ASSETS			
Cash and cash equivalents	10	112,008	115,602
Trade and other receivables	11	113,667	73,461
Loans to other companies	14	9,675	7,114
Inventory		13,647	10,068
Work in progress		(345)	89
Financial Assets	15	-	-
Other assets	12	1,756	2,144
TOTAL CURRENT ASSETS		250,408	208,479
NON CURRENT ASSETS			
Property, plant and equipment	13	128,905	154,167
Loan to other companies	14	-	883
Financial Assets	15	1,648	851
Goodwill	5	6,526	3,187
Deferred tax assets	16	8,037	5,733
TOTAL NON CURRENT ASSETS		145,116	164,821
TOTAL ASSETS		395,524	373,300
CURRENT LIABILITIES			
Trade and other payables	17	64,042	32,863
Financial liabilities	18	21,838	39,210
Current tax liabilities	16	3,428	1,028
Short-term provisions	19	10,402	9,954
TOTAL CURRENT LIABILITIES		99,710	83,055
NON-CURRENT LIABILITIES			
Deferred tax liabilities	16	107	113
Financial liabilities	18	25,980	34,499
TOTAL NON-CURRENT LIABILITIES		26,087	34,612
TOTAL LIABILITIES		125,797	117,667
NET ASSETS		269,727	255,633
EQUITY			
Issued capital	20	211,333	208,816
Reserves		(7,502)	(3,549)
Retained profits		62,652	50,814
Parent Interest		266,483	256,081
Non-controlling Interest		3,244	(448)
TOTAL EQUITY		269,727	255,633

The accompanying notes form part of these financial accounts

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Issued Capital $'000	Retained Profits $'000	Outside Equity Interest $'000	General Reserves $'000	Option Reserve $'000	FX Reserve $'000	Total $'000
BALANCE AT 1 JULY 2015	209,016	53,409	-	(3,980)	327	(2,804)	255,968
Profit for the period	-	24,163	67	-	-	-	24,230
SUB-TOTAL	209,016	77,572	67	(3,980)	327	(2,804)	280,198
Other comprehensive income:	-	-	-	-	-	-	-
Revaluation of Investment	-	-	-	203	-	2,428	2,631
SUB-TOTAL	209,016	77,572	67	(3,777)	327	(376)	282,829
Shares issued	-	-	-	-	-	-	-
Capital raising costs	(200)	-	-	-	-	-	(200)
Options issued net of options exercised	-	-	-	-	277	-	277
Transactions with non-controlling interests	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	(515)	-	-	-	(515)
Dividends paid	-	(26,758)	-	-	-	-	(26,758)
BALANCE AT 30 JUNE 2016	208,816	50,814	(448)	(3,777)	604	(376)	255,633
BALANCE AT 1 JULY 2016	208,816	50,814	(448)	(3,777)	604	(376)	255,633
Profit for the period	-	32,057	(864)	-	-	-	31,193
SUB-TOTAL	208,816	82,871	(1,312)	(3,777)	604	(376)	286,826
Other comprehensive income:	-	-	-	-	-	-	-
Revaluation of Investment	-	806	-	-	-	(1,829)	(1,023)
SUB-TOTAL	208,816	83,677	(1,312)	(3,777)	604	(2,205)	285,803
Shares issued	2,400	-	-	-	-	-	2,400
Options/Rights Issued	-	-	-	-	103	-	103
Options issued net of options exercised	117	-	-	-	(117)	-	-
Transactions with non-controlling interests	-	-	448	-	-	-	448
Acquisition of non-controlling interest	-	-	4,108	(2,110)	-	-	1,998
Dividends paid	-	(21,025)	-	-	-	-	(21,025)
BALANCE AT 30 JUNE 2017	211,333	62,652	3,244	(5,887)	590	(2,205)	269,727

The accompanying notes form part of these financial accounts

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		482,742	471,512
Payments to suppliers and employees		(399,268)	(395,172)
Dividends received		-	-
Interest received		1,481	1,929
Interest paid		(3,814)	(2,558)
Income tax paid		(12,999)	(11,578)
Net Cash Provided By Operating Activities	24(b)	68,142	64,133
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	1,303
Proceeds from sale of property, plant and equipment		3,175	3,336
Net Loans to other companies		-	9,019
Purchase of property, plant and equipment		(21,909)	(34,995)
Net cash consideration for acquisition of subsidiaries		(2,677)	(2,274)
Payment for investments		-	-
Net Cash Used In Investing Activities		(21,411)	(23,611)
CASH FLOW FROM FINANCING ACTIVITIES			
Net Proceeds from Share Issue		-	-
Net movement in borrowings		(27,105)	(17,768)
Dividends paid by the parent		(21,025)	(26,758)
Net Cash provided by / (used in) Financing Activities		(48,130)	(44,526)
Net increase/(decrease) in cash held		(1,399)	(4,004)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(2,195)	1,073
Cash and cash equivalents at the beginning of the year		115,602	118,533
Cash and cash equivalents at the end of financial year	24(a)	112,008	115,602

The accompanying notes form part of these financial accounts

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 2017 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.

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.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. 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 liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

c. Business Combinations (cont)

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

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.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. 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.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

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.

d. Income Tax (cont)

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.

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:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2.50%
Plant and equipment	10% – 66.67%
Low value pool	18.75% – 37.5%
Motor vehicles	18.75% – 50%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

f. Property, Plant and Equipment (cont.)

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.

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).

h. Financial Instruments (cont)

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.

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.

j. Foreign Currency Transactions and Balances (cont)

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

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.

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).

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.

s. Changes in ownership interests (cont)

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.

t. Critical Accounting Estimates and Judgements

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 assets 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 no adjustment required to the carrying value of assets 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. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC CI 2016/191 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest $1,000.

	Note	2017 $'000	2016 $'000
NOTE 2. REVENUE AND OTHER INCOME			
Revenue from continuing operations			
Contract Trading Revenue		496,278	427,137
		496,278	427,137
Other revenue			
– Interest received		1,480	1,929
– Other revenue		164	2,358
		1,644	4,287
Total Revenue		497,922	431,424
Other Income:			
– Profit / (Loss) on sale of plant and equipment		1,125	697
– Profit / (Loss) on sale of investment		-	(540)
– Profit / (Loss) on revaluation of investment			(1,194)
– Rebates		22,781	18,873
Total Other Income		23,906	17,837
NOTE 3. PROFIT FOR THE YEAR			
Expenses:			
Depreciation and amortisation			
– Plant and equipment		50,356	54,970
– Motor vehicles		1,560	1,490
– Other		183	163
Total depreciation and amortisation expense		52,099	56,623
Total employee benefits expense		132,936	121,279
Repairs, service and maintenance		55,436	46,979
Materials and supplies		99,562	97,600

	Note	2017 $'000	2016 $'000
NOTE 4. INCOME TAX EXPENSE			
(a) The components of tax expense comprise:			
Current		15,219	10,142
Deferred		(2,304)	(731)
		12,915	9,411
(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% (2016: 30%)		13,232	10,092
Add tax effect of			
– dividend imputation		3,861	4,571
– other non allowable items		497	575
– Other taxable items		9,010	10,667
– Research & Development Credit		-	(1,256)
Less tax effect of			
– franking credits on dividends received		(12,871)	(15,238)
– other deductible items (Losses not previously brought to account)		(814)	-
Income tax attributable to the entity		12,915	9,411
The applicable weighted average effective tax rate as		29.3%	27.9%

NOTE 5. BUSINESS COMBINATIONS

2017

On 15 December 2016 the Group acquired 60% of the issued capital in Interquip Pty Ltd, a company involved in Structural Mehanical and Piping Construction. The consideration consisted of $5.6M in cash, $2.4M in shares and an earn out agreement based on EBIT targets for FY 2017 and FY 2018. The earnout was valued at $1.5M based upon expected outcomes.

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

Interquip Pty Ltd	Fair value at 15 December 2016 $'000
Purchase consideration - Cash	5,600
- Shares	2,400
- Deferred Consideration (Earn Out)	1,500
Less:	
Cash and cash equivalents	3,073
Trade and other receivables	5,995
WIP and Inventory	4,334
Other assets	74
Property, plant and equipment	5,687
Land and Building	107
Trade and other payables	(4,216)
Financial liabilities	(1,214)
Advance Payment	(3,000)
Current tax liabilities	(140)
Provisions	(430)
	10,270
Value of identifiable assets acquired and liabilities assumed	6,162
Goodwill on acquisition	3,338

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. BUSINESS COMBINATIONS (Cont.)

Services South East Pty Ltd

On 31 October 2016 the Group acquired 25% of the issued capital in Services South East Pty Ltd which it did not already own for cash payment of $150,000 and forgiveness of a related party debt and assumption of liabilities. The total consideration for the remaining 25% amounted to $1.662M.

2016

On 31 January 2016 the Group acquired 100% of the issued capital in Alliance Contracting Pty Ltd, a company involved in contracting of mining and civil services.

On 5 April 2016 the Group acquired 75% of the issued capital in Services South East Pty Ltd, a company mostly involved in contracting of civil and road maintenance services.

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

Alliance Contracting Pty Ltd	Fair value at 31 January 2016 $'000
Purchase consideration - Cash	4,703
Less:	
Cash and cash equivalents	4,172
Trade and other receivables	5,712
Other assets	1,087
Property, plant and equipment	11,828
Land and Building	1,820
Trade and other payables	(7,829)
Financial liabilities	(9,185)
Current tax liabilities	(19)
Provisions	(2,881)
Value of identifiable assets acquired and liabilities assumed	4,703
Gain on acquisition	-

Services South East Pty Ltd	Fair value at 5 April 2016 $'000
Purchase consideration - Cash	1,642
Less:	
Cash and cash equivalents	(63)
Trade and other receivables	1,657
Other assets	918
Property, plant and equipment	7,173
Trade and other payables	(4,817)
Financial liabilities	(6,486)
Current tax liabilities	-
Provisions	(442)
Value of identifiable assets acquired and liabilities assumed	(1,545)
Goodwill on acquisition	3,187

	Note	2017 $'000	2016 $'000
NOTE 6. AUDITORS' REMUNERATION			
Remuneration of the parent entity auditors for:			
– Auditing or reviewing the financial report		166	160
NOTE 7. INTERESTS OF KEY MANAGEMENT COMPENSATION (KMP)			
The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:			
Short-term employee benefits		4,221	3,567
Post-employment benefits		232	215
Other long-term benefits		-	-
Share based payments		575	471
		5,028	4,253
NOTE 8. DIVIDENDS			
Distributions paid			
Interim fully franked ordinary dividend of $0.045 (2016: 0.040) per share franked at the tax rate of 30% (2016: 30%)		10,479	9,307
2016 final dividend (fully franked) of $0.045 per share paid in 2017 (2016: $0.075)		10,546	17,451
		21,025	26,758
Total dividends paid per share for the period $		0.090	0.115
Proposed final fully franked ordinary dividend of $0.045 (2016: $0.045) per share franked at the tax rate of 30% (2016: 30%)		10,545	10,479
Balance of franking account at year end.		36,145	22,312
NOTE 9. EARNINGS PER SHARE			
a. Reconciliation of earnings to profit and loss			
Profit		31,193	24,230
(Profit)/loss attributable to non controlling interest		864	(67)
Earnings used to calculate basic EPS		32,057	24,163
Earnings used in the calculation of dilutive EPS		32,057	24,163
b. Weighted average number (000) of ordinary shares outstanding during the year in calculating basic EPS		233,628	232,676
Weighted average number (000) of dilutive options outstanding		1,802	664
Weighted average number (000) of ordinary shares outstanding during the year used in calculating dilutive EPS		235,430	233,340
NOTE 10. CASH AND CASH EQUIVALENTS			
Cash at bank	20	112,008	115,602

	Note	2017 $'000	2016 $'000
NOTE 11. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade debtors		113,667	73,461
Less – Impairment for doubtful debts		-	-
		113,667	73,461

a. Credit risk

The Group has approximately 32.1% (2016: 43.9%) of credit risk with a single counterparty or group of counterparties. Failure or default of a major counterparty would have a material on earnings. Management of credit risk is discussed at Note28 (a). 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 $'000	Within initial trade terms $'000
30-Jun-17				
Trade and term receivables	113,667		25,265	88,402
Other receivables	-		-	-
Total	113,667		25,265	88,402
30-Jun-16				
Trade and term receivables	73,461		12,652	60,809
Other receivables	-		-	-
Total	73,461		12,652	60,809

	Note	2017 $'000	2016 $'000
b. Financial assets classified as loans and receivables			
Trade and other receivables			
- Total current		113,667	73,461
- Total non-current		-	-
		113,667	73,461
Other loans			
- Total current	14	9,675	7,114
- Total non-current	14	-	883
		9,675	7,997

	Note	2017 $'000	2016 $'000
NOTE 12. OTHER ASSETS			
CURRENT			
Prepayments		103	244
Deposit		1,653	1,900
		1,756	2,144
NOTE 13. PROPERTY, PLANT & EQUIPMENT			
PLANT AND EQUIPMENT			
Plant and equipment – at cost		472,703	462,646
Accumulated depreciation & impairment		(351,877)	(315,797)
		120,826	146,850
Motor vehicles – at cost		13,317	12,194
Accumulated depreciation		(9,728)	(8,297)
		3,589	3,897
Land and Building – at cost		3,180	2,327
Accumulated depreciation		(419)	(397)
		2,761	1,930
Leased plant and equipment – at cost		1,080	1,080
Accumulated depreciation		(1,080)	(1,080)
		-	-
Low value pool – at cost		419	163
Accumulated depreciation		(146)	(106)
		273	57
Leasehold improvements – at cost		2,400	2,102
Accumulated depreciation		(944)	(668)
		1,456	1,434
Total plant and equipment		124,688	150,804
Total property, plant and equipment		128,905	154,167

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.

For the financial year ended 30 June 2017 there have been no indicators of impairment.

NOTE 13. PROPERTY, PLANT & EQUIPMENT (Cont.)

a. Movements in Carrying Amounts

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

Consolidated:	Land and Buildings $'000	Plant and equipment $'000	Motor Vehicles $'000	Leased plant and equipment $'000	Low value pool $'000	Leasehold improvements $'000	Total $'000
Opening balance at 1 July 2015	-	155,400	1,646	-	61	1,457	158,564
Additions	110	34,601	-	-	-	130	34,841
Additions through Business Combinations	1,820	14,946	4,046	-	5	4	20,821
Disposals	-	(3,127)	(305)	-	-	(4)	(3,436)
Depreciation expense	-	(54,970)	(1,490)	-	(9)	(154)	(56,623)
Balance at 30 June 2016	1,930	146,850	3,897	-	57	1,433	154,167

	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2016	1,930	146,850	3,897	-	57	1,433	154,167
Additions	853	28,548	1,948	-	30	71	31,450
Additions through Business Combinations		5,321	174		192	107	5,794
Disposals	-	(9,537)	(870)	-	-	-	(10,407)
Foreign Currency movements	-	-	-	-	-	-	-
Depreciation expense	- 22	(50,356)	(1,560)	-	(6)	(155)	(52,099)
Balance at 30 June 2017	2,761	120,826	3,589	-	273	1,456	128,905

	Note	2017 $'000	2016 $'000
NOTE 14. LOANS TO OTHER COMPANIES			
Loans to Other Companies - current		9,675	7,114
Loans to Other Companies - non current		-	883
Includes short term loans to clients		9,675	7,997
NOTE 15. AVAILABLE FOR SALE FINANCIAL ASSETS			
Shares in Listed corporations at Fair Value - current		-	-
Shares in Listed corporations at Fair Value - non current		1,648	851
		1,648	851

	Note	2017 $'000	2016 $'000
NOTE 16. TAX			
(a) Liabilities			
CURRENT			
Income tax		3,428	1,028
NON-CURRENT			
Deferred tax liability comprises:			
Other		107	113
Total		107	113
(b) Assets			
NON-CURRENT			
Deferred tax assets comprises:			
Provisions		3,611	3,012
Losses		3,596	2,019
Other		830	702
Total		8,037	5,733
(c) **Reconciliations**			
i. **Gross movements**			
The overall movement in the deferred tax account is as follows:			
Opening balance		5,620	5,994
(Charge)/credit to income statement		2,310	(175)
(Charge)/credit to equity		-	(199)
Closing balance		7,930	5,620
ii. **Deferred tax liabilities**			
The movement in deferred tax liabilities for each temporary difference during the year is as follows:			
Other:			
Opening balance		113	94
Charge / (Credit) to income statement		(6)	19
Charge / (Credit) to equity		-	-
Closing balance		107	113

	Note	2017 $'000	2016 $'000
NOTE 16. TAX (cont)			
iii. **Deferred tax assets**			
The movement in deferred tax assets for each temporary difference during the year is as follows:			
Provisions:			
Opening balance		3,012	3,442
Credit to income statement		599	(430)
Closing balance		3,611	3,012
Losses:			
Opening balance		2,019	1,596
(Charge) / Credit to income statement		1,577	423
Closing balance		3,596	2,019
Other:			
Opening balance		702	503
(Charge) / Credit to income statement		128	398
(Charge) / Credit to equity		-	(199)
Closing balance		830	702

NOTE 17. TRADE AND OTHER PAYABLES

		2017 $'000	2016 $'000
PAYABLES			
CURRENT			
Unsecured Liabilities:			
Trade creditors		48,483	28,046
Sundry creditors and accruals		15,559	4,817
		64,042	32,863

Creditors are non-interest bearing and settled at various terms up to 45 days.

Financial liabilities at amortised cost classified as trade and other payables

		2017 $'000	2016 $'000
Trade and other payables			
- Total current		64,042	32,863
- Total non-current		-	-
		64,042	32,863

	Note	2017 $'000	2016 $'000
NOTE 18. FINANCIAL LIABILITIES			
CURRENT			
Secured Liabilities:			
Finance lease liability		21,838	39,210
		21,838	39,210
NON-CURRENT			
Secured Liabilities			
Finance lease liability		25,980	34,499
		25,980	34,499
a. Total current and non-current secured liabilities:			
Finance lease liability	20, 21	47,818	73,709
		47,818	73,709
b. The carrying amounts of non-current assets pledged as security are:			
Finance lease liability		60,291	98,842
		60,291	98,842

Insurance Bonding Facilities

The Company has an insurance bonding facility and bank guarantee facilities totalling $10.0 million. At 30 June 2017 the amount drawn on the facility was $8.3 million (2016: $2.4 million).

NOTE 19. PROVISIONS

	2017 $'000	2016 $'000
CURRENT		
Employee Entitlements	10,402	9,954

a. Movement in provisions:

	Employee entitlements	Total
Consolidated:		
Opening balance as at 1 July	9,954	9,282
Additional provisions	11,066	11,619
Amounts used	(10,618)	(10,947)
Closing balance as at 30 June	10,402	9,954

b. Provision for employee benefits

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

	Note	2017 $'000	2016 $'000
NOTE 20. ISSUED CAPITAL			
234,343,334 (2016: 232,676,373) Fully paid ordinary shares		211,333	208,816
(a) Ordinary shares:		**No.**	**No.**
At the beginning of the reporting period		232,676,373	232,676,373
Shares issued during the year			
- 9 September 2016 Conversion of Performance Rights		196,373	
- 15 December 2016 Consideration for Acquisition of Interquip		1,470,588	-
Shares at reporting date		234,343,334	232,676,373

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.

	Note	2017 $'000	2016 $'000
Total borrowings	18	47,818	73,709
Less cash and cash equivalents	10	(112,008)	(115,602)
Net debt		(64,190)	(41,893)
Total equity		269,727	255,633
Total capital		205,537	213,739
Gearing ratio		(31%)	(20%)
NOTE 21. CAPITAL & LEASING COMMITMENTS			
(a) Capital expenditure commitments			
Capital expenditure commitments contracted for:			
Plant and equipment purchases		10,694	11,520
Payable			
– not later than 12 months		10,694	11,520
– between 12 months and 5 years		-	-
– greater than 5 years		-	-
Minimum Commitments		10,694	11,520
(b) Finance lease commitments			
Payable — minimum lease payments			
– not later than 12 months		24,079	41,330
– between 12 months and 5 years		26,534	36,802
– greater than 5 years		-	-
Minimum lease payments		50,613	78,132
Less: Future Finance Charges		(2,795)	(4,423)
		47,818	73,709

	Note	2017 $'000	2016 $'000
NOTE 21. CAPITAL & LEASING COMMITMENTS (cont)			
(c) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the accounts:			
Payable — minimum lease payments			
– not later than 12 months		1,578	1,576
– between 12 months and 5 years		3,984	4,467
– greater than 5 years		-	-
		5,562	6,043

NOTE 22. 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 2017: $9.4 million (2016: $3.2 million)

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

NOTE 23. 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 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.

NOTE 23. OPERATING SEGMENTS (cont)

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. 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

Consolidated - June 2017	Mining $'000	Civil / Infrastructure / SMP[1] $'000	Unallocated $'000	Total $'000
Revenue				
Total reportable segment revenue	423,698	72,580	-	496,278
Other Revenue	480	99	1,065	1,644
Total revenue	424,178	72,679	1,065	497,922
Earnings before interest, tax, depreciation and amortisation	102,693	(3,186)	(966)	98,541
Depreciation and amortisation	(50,667)	(1,432)	-	(52,099)
Interest Revenue	384	31	1,065	1,480
Finance costs	(3,515)	(299)	-	(3,814)
Profit/(loss) before income tax expense	48,895	(4,886)	99	44,108
Income tax expense				(12,915)
Profit after income tax expense				31,193
Assets				
Segment assets	248,705	51,908	94,911	395,524
Total assets				395,524
Liabilities				
Segment liabilities	93,410	29,187	3,200	125,797
Total liabilities				125,797
Capital expenditure	23,171	8,279	-	31,450

[1] Structural, Mechanical and Piping business

NOTE 23. OPERATING SEGMENTS (Cont.)

Consolidated - June 2016	Mining $'000	Civil / $'000	Unallocated $'000	Total $'000
Revenue				
Total reportable segment revenue	396,209	30,927	-	427,137
Other Revenue	2,661	(98)	1,724	4,287
Total revenue	398,871	30,829	1,724	431,424
Earnings before interest, tax, depreciation, amortisation and impairments	95,597	(3,969)	(735)	90,893
Depreciation and amortisation	(56,356)	(267)	-	(56,623)
Impairment of assets (debtors and plant & equipment)	-	-	-	-
Interest Revenue	71	134	1,724	1,929
Finance costs	(2,558)	-	-	(2,558)
Profit/(loss) before income tax expense	36,754	(4,102)	989	33,641
Income tax expense				(9,411)
Profit after income tax expense				24,230
Assets				
Segment assets	255,906	18,246	99,148	373,300
Total assets				373,300
Liabilities				
Segment liabilities	91,818	11,572	14,277	117,667
Total liabilities				117,667
Capital expenditure	54,472	1,190	-	55,662

Geographical information	Revenue		Non-current assets	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Australia	416,573	349,606	107,375	111,980
Brazil	81,349	81,818	37,741	52,841
Total	497,922	431,424	145,116	164,821

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 40%, 15% and 13% of external revenue. (2016: 35%, 19% and 16%). The next most significant client accounts for 8% (2016: 5%) of external revenue.

	2017 $'000	2016 $'000
NOTE 24. CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	112,008	115,602
Bank overdraft	-	-
	112,008	115,602
(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax		
Operating profit after income tax	31,193	24,231
Non-cash flows in profit from ordinary activities		
Depreciation and amortization	52,099	56,623
Net (gain)/loss on disposal of plant and equipment	(1,125)	(697)
Net (gain)/loss on disposal of investments	-	1,734
Foreign exchange losses	1,584	85
Share based payment	103	277
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(36,481)	23,143
(Increase)/decrease in other assets	(490)	931
(Increase)/decrease in inventories & WIP	1,189	(2,451)
Increase/(decrease) in trade and other payables	22,251	(39,310)
Increase/(decrease) in income tax payable	2,348	(1,857)
Increase/(decrease) in deferred tax payable	(2,433)	374
Increase/(decrease) in provisions	(2,096)	1,050
	68,142	64,133

(c) Non-cash financing and Investing Activities

During the year the economic entity acquired $9.5 million in plant and equipment (2016: $nil) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

(d) Acquisition of Entities

During the year the economic entity funded a portion of the acquisition of Interquip using shares to the value of $2.4million (2016: nil).

NOTE 24. CASH FLOW INFORMATION (Cont.)

	2017 $'000
Interquip Pty Ltd (Interquip)	
On 15 December 2016, MACA acquired 60% of the ordinary share capital and voting rights in Interquip as described in note 5:	
Purchase consideration:	
Non Cash Consideration	(3,900)
Cash Consideration exchanged	(5,600)
Total consideration	(9,500)
Cash acquired:	
Cash held by Interquip at date of acquisition	3,073
Cash out-flow on acquisition	(2,527)
Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flow:	
Trade and other receivables	5,995
WIP and Inventory	4,334
Other Assets	74
Property, plant, and equipment	5,687
Land and Building	107
Trade and other payables	(4,216)
Financial liabilities	(1,214)
Other Liabilities	(3,570)

NOTE 25. SHARE-BASED PAYMENTS

(a) Options

There were no options issued for the year ended 30 June 2017. The weighted average fair value of options granted during the previous year was Nil.

(b) Performance Rights

The Company issues performance rights to Senior executives in accordance with the terms of the Long-Term Incentive Plan and the Performance Rights Plan as approved by Shareholders. When vested, each performance right is converted into one ordinary share for no consideration. Performance rights granted carry no dividend or voting rights.

During the 2017 financial year 1,196,083 performance rights were granted under the Group's Performance Rights Plan and 1,042,254 are intended to be issued after the end of the financial year, and 407,768 performance rights were forfeited. Subject to the achievement of designated performance hurdles, these performance rights will vest in June 2019 (2016:1,955,782). As at 30 June 2017 there were 2,528,307 performance rights outstanding of which 1,486,053 had been issued.

The following performance rights arrangement was in existence at 30 June 2017:

	Number	Expiry Date
Unlisted Performance Rights	568,143	30-Jun-17
Unlisted Performance Rights	1,486,053	30-Jun-18
Unlisted Performance Rights	1,042,254	30-Jun-19

NOTE 25. SHARE-BASED PAYMENTS (Cont.)

The following performance Rights were granted, vested or expired during the year:

	2017 Number	2016 Number
Outstanding at the beginning of the year	2,569,967	925,331
Granted	1,196,083	1,955,782
Vested	(261,830)	-
Cancelled or expired	(407,770)	(311,146)
Outstanding at the end of the year	3,096,450	2,569,967
Vested at Year End	(568,143)	(261,830)

An independent valuation was completed on performance rights granted during the year. Market based vesting conditions were valued using a hybrid share option pricing model that simulates the share price of the Company as at the test date using a Monte-Carlo simulation model. For non-market based vesting conditions no discount was made to the underlying valuation model

The weighted average fair value of the performance rights granted during the year ended 30 June 2017 was $0.63 per right. The total share based payment expense for the year ended 30 June 2017 relating to the grant of performance rights in the statement of profit or loss is $103k (2016: 232k). Inputs used to determine the fair value of performance rights granted during the year ended 30 June 2017 were:

a) Share price $1.13 being the 30 day VWAP of the Company on the last trading day prior to 30 June 2016
b) Exercise price: Nil
c) Volatility: 41.9%
d) Option life: 3 years
e) Dividend yield: 5.2%
f) Risk Free Rate 1.55%

NOTE 26. EVENTS AFTER THE BALANCE SHEET DATE

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

	Country of Incorporation	Percentage Owned (%) 2017	2016
NOTE 27. CONTROLLED ENTITIES			
Parent entity:			
MACA Limited	Australia	-	-
Subsidiaries:			
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%	100%
Alliance Contracting Pty Ltd	Australia	100%	100%
MACA Infrastructure Pty Ltd	Australia	100%	75%
Marniyarra Mining and Civils Pty Ltd	Australia	50%	60%
Interquip Pty Ltd	Australia	60%	-

	Note	2017 $'000	2016 $'000
NOTE 28. FINANCIAL RISK MANAGEMENT			

Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, 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	2017 $'000	2016 $'000
Financial Assets			
Cash and cash equivalents	10	112,008	115,602
Loans and receivables			
— Trade and other receivables	11(b)	113,667	73,461
— Other Loans	14	9,675	7,997
Available-for-sale financial assets:			
— At fair value			
— Listed investments	15	1,648	851
Total Financial Assets		236,998	197,911
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	17	64,042	32,863
— Borrowings	18	47,818	73,709
Total Financial Liabilities		111,860	106,572

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 28. FINANCIAL RISK MANAGEMENT (cont)

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 29 for details).

The Group has approximately 32.1% (2016: 43.9%) 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 11(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 11(a).

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

b. Liquidity risk

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

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

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

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

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

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	'000	'000	'000	'000	'000	'000	'000	'000
Financial liabilities due for payment								
Trade and other payables	64,042	32,863	-	-	-	-	64,042	32,863
Finance lease liabilities	21,838	39,210	25,980	34,499	-	-	47,818	73,709
Total contractual outflows	85,880	72,073	25,980	34,499	-	-	111,860	106,572
Total expected outflows	85,880	72,073	25,980	34,499	-	-	111,860	106,572
Financial assets - cash flows realisable								
Cash and cash equivalents	112,008	115,602	-	-	-	-	112,008	115,602
Trade, term and loans receivables	123,342	80,575	0	883	-	-	123,342	81,458
Other investments	-	-	1,648	851	-	-	1,648	851
Total anticipated inflows	235,350	196,177	1,648	1,734	-	-	236,998	197,911
Net (outflow)/inflow on financial instruments	149,470	124,104	(24,332)	(32,765)	-	-	125,138	91,339

Financial assets pledged as collateral. No financial assets have been pledged as security for debt.

NOTE 28. FINANCIAL RISK MANAGEMENT (cont)

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: Within 1 Year		Fixed Interest Rate: 1 to 5 Years		Non-interest Bearing		Total		Weighted Average Effective Interest Rate	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	%	%
Financial Assets:												
Cash	112,008	115,602	-	-	-	-	-	-	112,008	115,602	1.69	2.09
Trade and other receivables	-	-	-	-	-	-	123,342	81,458	123,342	81,458	N/A	N/A
Total Financial Assets	112,008	115,602	-	-	-	-	123,342	81,458	235,350	197,060		
Financial Liabilities:												
Finance lease	-	-	21,838	39,210	25,980	34,499	-	-	47,818	73,709	4.97	4.55
Trade and other payables	-	-	-	-	-	-	64,042	32,863	64,042	32,863	N/A	N/A
Total Financial Liabilities	-	-	21,838	39,210	25,980	34,499	64,042	32,863	111,860	106,572		

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
Year ended 30 June 2017		
+/- 2% in interest rates	+/- 1,213	+/- 1,213
+/- 10% in the value of listed investments	+/- 165	+/- 165
+/- 10% in AUD/BRL exchange rate	+/- 952	+/- 2,503
+/- 10% in AUD/USD exchange rate	+/- 1,410	+/- 1,410
Year ended 30 June 2016		
+/- 2% on interest rates	+/- 1,110	+/- 1,110
+/- 10% in listed investments	+/- 81	+/- 81
+/- 10% in AUD/BRL exchange rate	+/- 300	+/- 1,971
+/- 10% in AUD/USD exchange rate	+/- 0	+/- 0

NOTES TO THE FINANCIAL STATEMENTS

NOTE 28. FINANCIAL RISK MANAGEMENT (cont)

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:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - 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); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

	Note	2017 $'000	2016 $'000
NOTE 29. PARENT INFORMATION			
The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.			
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Current assets		193,917	200,461
TOTAL ASSETS		313,732	308,027
LIABILITIES			
Current liabilities		3,168	319
TOTAL LIABILITIES		3,200	357
EQUITY			
Issued capital		303,740	301,339
Reserves		707	604
(Accumulated losses)/ Retained profits		6,085	5,727
TOTAL EQUITY		310,532	307,670
STATEMENT OF FINANCIAL PERFORMANCE			
Profit for the year (including interco dividends)		21,142	27,747
Total comprehensive income		21,142	27,747

	Note	2017 $'000	2016 $'000

NOTE 29. PARENT INFORMATION (cont)

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

On the 4th of July 2017 the liquidators of Kimberley Diamond Company Pty Ltd filed a claim for an unfair preference payment in the amount of $1.4 million. The company is vigorously defending the claim. Other than this legal action and the gurantees described in note 22 there were no contingent liabilities as at 30 June 2017 (2016: none).

Contractual commitments

	Note	2017 $'000	2016 $'000
Plant and equipment			
Not longer than 1 year		32,532	50,730
Longer than 1 year and not longer than 5 years		25,980	34,499
Longer than 5 years		-	-
Total		58,512	85,229

NOTE 30. 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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 31. RELATED PARTY TRANSACTIONS

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

i. Key management personnel

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

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

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

ii. 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.

Transactions with related parties:

Other related parties:

Key management person and/or related party	Transaction	2017 $	2016 $
Partnership comprising entities controlled by current director Mr G.Baker and former directors Mr J.Moore, Mr D.Edwards & Mr F.Maher.	Expense - Rent on Division St Business premises.	1,589,382	1,530,560
Kirk Mining Consultants - a company controlled by current director Mr L.Kirk.	Expense - Mining consulting fees	8,780	37,070
Hensman Properties Pty Ltd - a company controlled by current director Mr R.Ryan.	Expense - Consulting fees	41,962	74,498
Gateway Equipment Parts & Services Pty Ltd - a company controlled by director Mr G.Baker and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.	Expense - hire of equipment and purchase of equipment, parts and services.	1,922,082	894,052
Gateway Equipment Parts & Services Pty Ltd - a company controlled by current director Mr G.Baker and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.	Revenue - sale of equipment	-	320,320
Alliance Contracting Pty Ltd: Mr G.Baker was a 15% shareholder in Alliance Contracting Pty Ltd.	Acquisition of 100% of equity on 31 January 2016	-	4,703,253
Amounts payable at year end arising from the above transactions (Receivables Nil)			
Gateway Equipment Parts & Services Pty Ltd - a company controlled by current director Mr G.Baker and former directors Mr D.Edwards, Mr F.Maher and Mr J.Moore.		110,000	21,330

NOTE 32. RESERVES

a. General Reserve

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

b. Option Reserve

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

c. FX Translation Reserve

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

NOTE 33. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

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

(i) AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or

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

The Directors do not anticipate that the adoption of AASB 9 will have any significant impact on the Group's financial statements.

(ii) AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 July 2018, as

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. 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 the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The Directors do not anticipate that the adoption of AASB 15 will have any significant impact on the Group's financial statements.

(iii) AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Directors do not anticipate that the adoption of AASB 16 will have any significant impact on the Group's financial statements. The Company has an operating lease in relation to the business premises it conducts business from. All other operating leases currently held by the Company are immaterial.

NOTE 33. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED (cont.)

(v) AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest. The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

DIRECTOR'S DECLARATION

for the year ended 30 June 2017

The directors of the company declare that:

1. The financial statements set out on pages 40 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 2017 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 28th day of September 2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACA LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of MACA Limited (the Company and its subsidiaries) (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MOORE STEPHENS

Key Audit Matters (continued)

Existence and Ownership of Assets – Plant and Equipment Refer to Note 13 "Property, Plant and Equipment"	
Existence and ownership of plant and equipment is a key audit matter. It is due to the size of this account balance and the location of plant and equipment (most located at client sites throughout Australia and overseas i.e. Brazil) that this is a key area of audit focus.	Our procedures included: • We agreed a sample of plant and equipment additions to supplier invoices and to Capital Expenditure Request Forms (for appropriate authority); • We agreed a sample of plant and equipment to hire purchase financing agreements; • We agreed a sample of plant and equipment in Australia and Brazil by obtaining date stamped photographs and videos taken by senior MACA personnel.

Recognition of Revenue Refer to Note 2 "Revenue and Other Income"	
The Group's largest revenue stream relates to the rendering of mining services, all of which are based on contracts which determine the services, products and rates to be charged. The accurate recording of revenue is highly dependent upon the following key factors; • Knowledge of the individual characteristics and status of contracts; • Management's invoicing process including; – accurate measurement of work done and services provided each month – invoices prepared in compliance with contract terms such as services performed and rates charged; • Determination of variations and claims, including compliance with contractual terms and an assessment of when the Group believes it is probable that the amount will be approved and thus recovered from the customer. We focused on this matter as a key audit matter due to the significance of revenue to the Group combined with the need to comply with a variety of contractual conditions, leading to judgemental risk associated with revenue recognition.	Our procedures included, amongst others: • We evaluated management's processes regarding existence and valuation of the Group's contract revenues. We tested internal controls in relation to preparation and authorisation of monthly revenue invoices for compliance with the Group's policy; • We selected a sample of sales invoices raised during the year and performed the following procedures; – agreed to contractual terms and rates – agreed to general ledger accounts and subsequent receipts from the customer – for variations or claims we checked they were in accordance with contract terms and evaluated for risk of non-recovery; • We evaluated contract performance during and subsequent to year end to audit opinion date to reflect on year end revenue recognition judgements.

MOORE STEPHENS

Key Matters (continued)

Valuation of Receivables Refer to Note 11 “Trade and Other Receivables” and to Note 14 “Loans to Other Companies”	
Valuation of receivables is a key audit matter. It is due to the size of the account balances and the judgements required in determining their carrying value that this is a key area of audit focus. Loans to Other Companies as set out in Note 14, amounting to $9.68 million (after right of set-off) as at 30 June 2017, represent a net receivable owing to the Group by Beadell Resources Limited. The loan receivable is material to the Group.	Our procedures included, amongst others: • Review of subsequent receipt collections from debtors and ageing analysis post year end; • Confirmations with selected trade debtors where considered necessary; • Discussion with management as to the existence of any disputes with debtors, review of correspondence and assessment of impairment provisions raised by management; • Assessment of the financial viability of debtors, where considered necessary; • In relation to balances between the Group and Beadell Resources Limited we obtained direct confirmation from Beadell Resources Limited and agreed the set off arrangement to the set-off deed between the two companies.

Impairment of Goodwill Refer to Note 5 “Goodwill”	
At 30 June 2017 the Group’s statement of financial position includes goodwill of $6.53 million, contained within 3 cash generating units (“CGUs”). The assessment of impairment of the Group’s goodwill balances incorporated significant judgement in respect of factors such as discount rates, underlying cashflows (in particular future revenue growth), as well as economic assumptions such as inflation rates. The sectors in which the Group operated during the period have experienced the impacts of a decline in economic conditions along with volatile commodity prices. A key audit matter for us was whether the Group’s value in use model for impairment included appropriate consideration of these factors on their significant estimates and judgements.	Our procedures included, amongst others: • We assessed management’s determination of the Group’s CGUs based on our understanding of the nature of the Group’s business. We also analysed the internal reporting of the Group to assess how earnings streams are monitored and reported; • Assessing the value in use model, including checking the mathematical accuracy; • Reconciling input data to supporting evidence, such as approved budgets, discount rates, etc; • Challenging the reasonableness of key assumptions, such as those relating to forecast revenue, growth rates and discount rates, based on our knowledge of the business and industry; • Performing sensitivity analysis using a range of reasonable inputs such as alternative growth rates and discount rates; Review of disclosure in the financial statements to ensure appropriate and adequate.

MOORE STEPHENS

Key Matters (continued)

Acquisition of Interquip Pty Ltd	
Refer to Note 5 "Business Combinations"	
On 15 December 2016 the Group acquired a 60% controlling interest in Interquip Pty Ltd for total consideration of $9.5 million. Accounting for this transaction is complex, requiring management to exercise judgement to determine the fair value of contingent consideration, the fair value of acquired assets and liabilities, including the allocation of purchase consideration to goodwill and separately identifiable intangible assets. This is a key audit matter due to the significance of the acquisition and judgement involved in accounting for the transaction.	Our procedures included, amongst others: • We read the sale and purchase agreement to understand the key terms and conditions; • We assessed whether this acquisition should be accounted for under AASB 3 Business Combinations or AASB 116 Property, Plant and Equipment – the Group accounted for it as an acquisition of a business under AASB3; • Evaluating the fair value model developed by management to determine the fair value of contingent consideration and the acquired fair value of assets and liabilities; • Assessing the acquisition date determined by management; Review of disclosure in the financial statements to ensure they are appropriate and adequate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

MOORE STEPHENS

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 32 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of MACA Limited, for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth on the 28th day of September 2017

SHAREHOLDER INFORMATION

as at 12 September 2017

1. Numbers of Holders of Equity Securities

a. Ordinary Share Capital

234,343,334 fully paid ordinary shares are held by 2,034 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 12 September 2017

	Total Holders	Units	% of issued capital
1 - 1,000	417	201,613	0.09
1,001 – 5,000	705	2,079,404	0.89
5,001 – 10,000	372	3,008,423	1.28
10,001 – 100,000	492	14,161,702	6.04
100,001 – 999,999,999	48	214,892,192	91.70
Total	2,034	234,343,334	100.00

e. Substantial Share and Option Holders

The names of the substantial shareholders listed in the Company's register as at 12 September 2017:

		Number
1	PERPETUAL INVESTMENTS LTD	17,482,553
2	MR KENNETH RUDY KAMON	17,275,633
3	PARADICE INVESTMENT MANAGEMENT PTY LTD	14,699,892
4	GEMBLUE NOMINEES PTY LTD <THE G A BAKER FAMILY A/C>	12,500,000
5	MR FRANCIS JOSEPH MAHER + MS SHARON JANE MAHER <THE MAHER FAMILY A/C>	12,300,000

There were no substantial option holders listed in the Company's register as at 12 September 2017.

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 12 September 2017, there were 128 holders who held shares that were unmarketable parcels.

2. Twenty Largest Shareholders

	Name	Number	Percentage
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	55,016,178	23.5%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	29,763,489	12.7%
3	CITICORP NOMINEES PTY LIMITED	28,419,406	12.1%
4	MR KENNETH RUDY KAMON	17,275,633	7.4%
5	GEMBLUE NOMINEES PTY LTD <THE G A BAKER FAMILY A/C>	12,500,000	5.3%
6	MR FRANCIS JOSEPH MAHER + MS SHARON JANE MAHER <THE MAHER FAMILY A/C>	12,300,000	5.2%
7	NATIONAL NOMINEES LIMITED	12,019,327	5.1%
8	MINING & CIVIL MANAGEMENT SERVICES PTY LTD	6,818,000	2.9%
9	MR JAMES EDWARD MOORE + MS JULIA CATHERINE MOORE	6,000,000	2.6%
10	BNP PARIBAS NOMS PTY LTD <DRP>	5,228,034	2.2%
11	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	3,691,666	1.6%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COM SUPER CORP A/C>	3,592,841	1.5%
13	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,567,320	1.1%
14	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	2,261,956	1.0%
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,945,531	0.8%
16	MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,590,352	0.7%
17	AUST EXECUTOR TRUSTEES LTD <CHARITABLE FOUNDATION>	1,542,987	0.7%
18	MS TINA HARDY <THE HARDY FAMILY A/C>	1,470,588	0.6%
19	ZERO NOMINEES PTY LTD	1,291,000	0.6%
20	ECAPITAL NOMINEES PTY LIMITED <ACCUMULATION A/C>	1,028,591	0.4%
Total	Top 20 Holders of Ordinary Fully Paid Shares	195,034,589	83.8%

3. Twenty Largest Listed Option Holders

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

4. Restricted Securities

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

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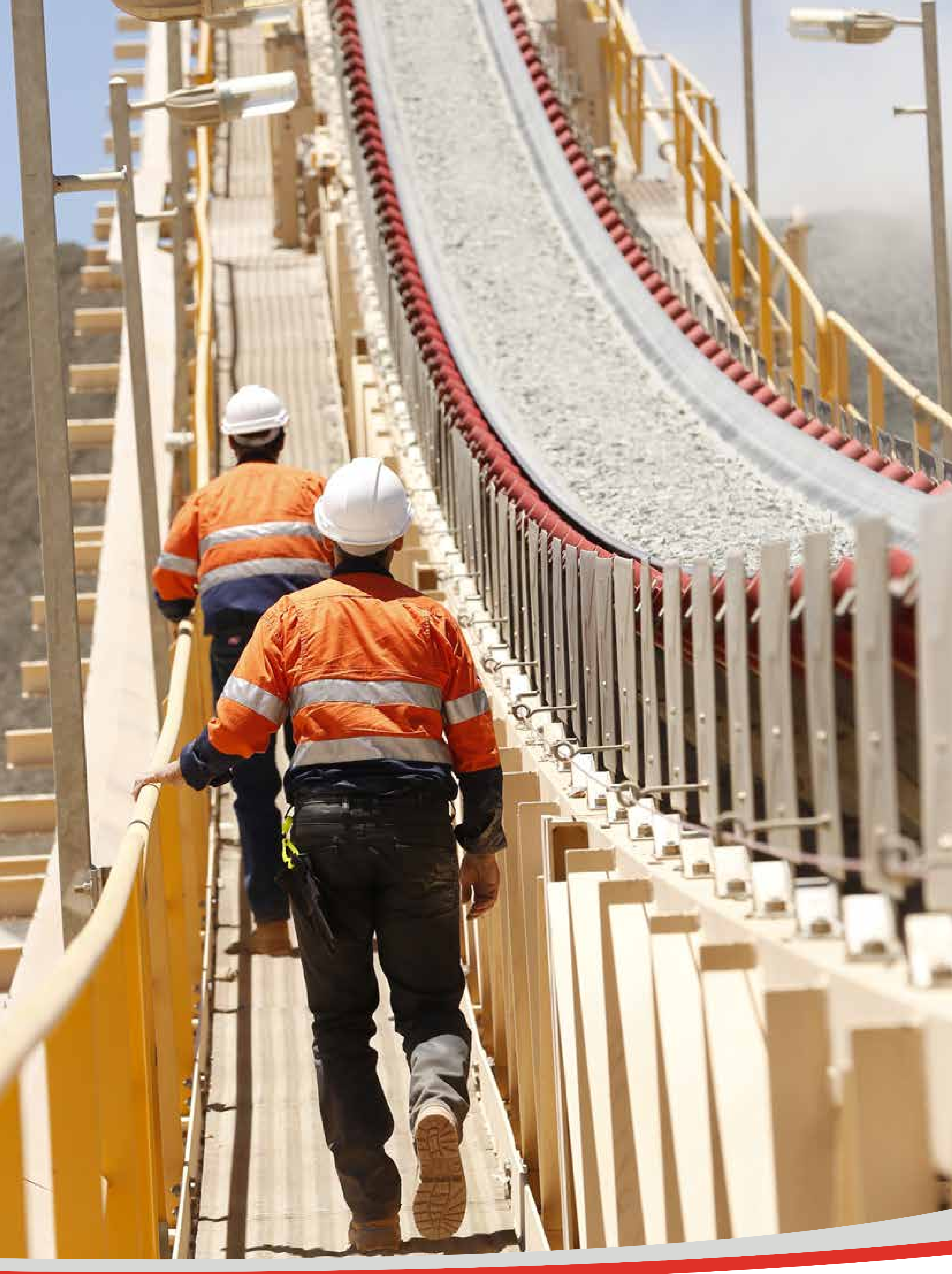

MACA Limited and its Controlled Entities
ABN 42 144 745 782

Environment
ISO 14001
SAI GLOBAL

Health & Safety
AS 4801
SAI GLOBAL

Quality
ISO 9001
SAI GLOBAL

www.maca.net.au